

September 2023

Industry Highlights on

Food & Agriculture



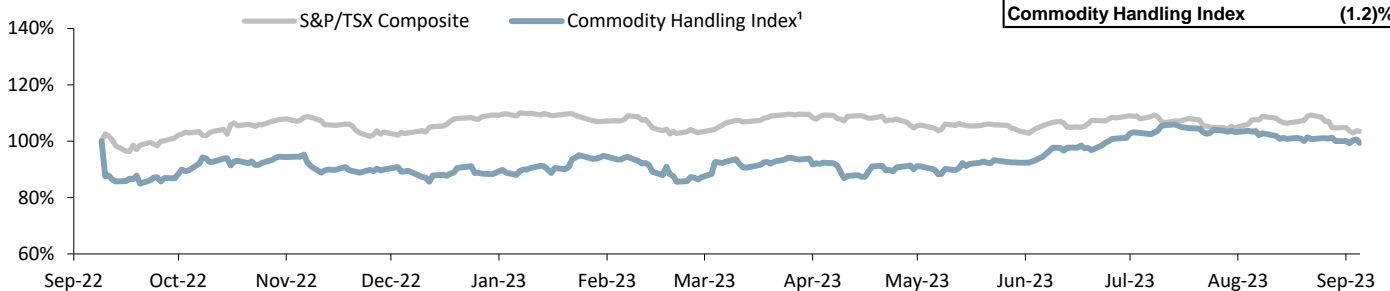
*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On September 26th, **Bartlett, a Savage Company (“Bartlett”)**, a US-based agribusiness focused on the acquisition, storage, transportation, processing and merchandising of grain, and **POSCO INTERNATIONAL (“POSCO”)**, a South Korea-based global conglomerate, announced the exploration of a joint venture (JV) in soybean crush and grain origination and export. The JV would leverage Bartlett’s North American agriculture supply chain and operational capabilities together with POSCO’s global ag network and market expertise to drive growth and new business opportunities
- ▶ On September 19th, **Grain Processing Corporation (“GPC”)**, a US-based company focused primarily on corn products, part of the **KENT Corporation**, a US-based company with operating subsidiaries involved in corn wet milling, the production of animal feeds, and the manufacture of food and beverage products, announced the acquisition of a flour manufacturing and warehouse facility in Oskaloosa, Iowa, for an undisclosed amount. The new facility will complement GPC’s soy and chickpea milling operations in Grinnell, Iowa
- ▶ On September 18th, **Country Partners Cooperative**, a US-based farming co-op, announced that it has completed the acquisition of an Anselmo, Nebraska, grain facility from **The Andersons** for an undisclosed amount. The facility complements Country Partners Cooperative’s existing portfolio, and the addition of the shuttle loader capability on the BNSF will help expand their regional footprint
- ▶ On September 7th, **Valley United**, a US-based farming co-op focused on grain handling, announced its acquisition of **Thompson Farmers Elevator Company**, a US-based farming co-op focused on grain handling, for an undisclosed amount. The combined entity will be in a better position to compete with larger, local competitors in North Dakota

Relative Performance Index

YoY Change	
S&P/TSX	3.5 %
Commodity Handling Index	(1.2)%



Key Indicators

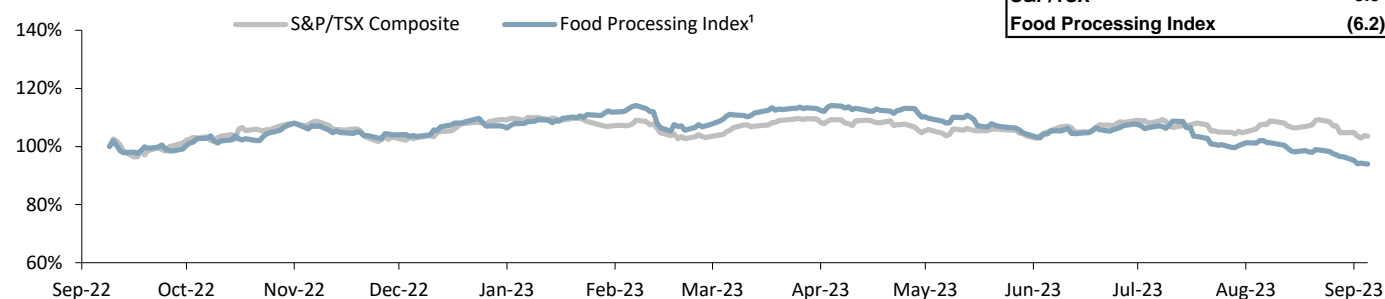
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
ADM	40,433	49,974	7.0x	7.6x	10.5x	11.3x	(4.4)%	(23.3)%
Bunge Limited	16,307	21,937	6.1x	6.5x	8.2x	8.9x	(4.4)%	(7.2)%
The Andersons, Inc	1,726	2,735	7.4x	7.0x	17.0x	14.5x	(1.0)%	(3.6)%
Graincorp Limited	1,040	2,179	5.3x	9.5x	7.1x	14.2x	(0.1)%	(22.4)%
United Malt Group Limited	1,017	1,467	14.7x	11.7x	44.7x	24.8x	0.2 %	(0.4)%
Ceres Global Ag	50	93	na	na	na	na	0.5 %	(27.5)%
Mean			8.1x	8.4x	17.5x	14.8x	(1.5)%	(14.0)%

News Scan

- ▶ On September 29th, **Blue Apron (Nasdaq: APRN)**, a US-based meal kit company, announced that it has entered into a definitive agreement to be acquired by **Wonder Group**, a US-based company providing at-home dining and food delivery, for US\$103 million. The transaction is expected to create a leading platform for mealtime across the meal kit and fully-prepared meal experience
- ▶ On September 27th, **Second Nature Brands ("Second Nature")**, the US-based creator of premium, nutritional and better-for-you snacks and treats, announced that it has agreed to acquire **Sahale Snacks**, a US-based manufacturer and marketer of premium, branded nut and fruit snack mixes, from **J. M. Smucker Co. (NYSE: SJM)**, a US-based consumer packaged goods company, for US\$34 million. The transaction considerably broadens Second Nature's snack mix & nut portfolio
- ▶ On September 26th, **Oceano Seafood ("Oceano")**, a Peru-based fishing and processing conglomerate, announced its acquisition of **Sea Fresh USA ("Sea Fresh")**, a processor of fresh, wild-caught Loligo Squid, for an undisclosed amount. The acquisition expands Oceano's international footprint by providing it access to the US market
- ▶ On September 20th, **Brenntag**, a Germany-based chemicals and ingredients distribution company, announced an agreement to acquire **Colony Gums, Inc.**, a US-based provider of stabilizer blends and blending services primarily to the food sector, for an undisclosed amount. The acquisition will strengthen and expand Brenntag's services and product portfolio in its Nutrition segment
- ▶ On September 11th, **J. M. Smucker Co. ("Smucker") (NYSE: SJM)** announced the signing of a definitive agreement to acquire **Hostess Brands, Inc. (NASDAQ: TWNK)**, a US-based sweet snacks company, for US\$5.6 billion, including debt. The acquisition expands Smucker's sweet baked goods category and accelerates its focus on convenient consumer occasions
- ▶ On September 8th, **Heartisan Foods**, a US-based manufacturer and online seller of specialty & flavored cheeses, and a portfolio company of US-based **Ronin Equity Partners**, announced that it is buying **North Country Packaging**, a US-based manufacturer of Wisconsin cheese products, for an undisclosed amount. The acquisition will triple Heartisan Foods' manufacturing capacity, expand its fulfillment capabilities and allow it to expand its presence in the fast-growing cheese spreads and cheese curds categories
- ▶ On September 7th, **Butternut Box**, a UK-based fresh dog food company, announced that it has raised US\$350 million in its latest fundraising round from new investor **General Atlantic**, a US-based growth equity firm, with participation from existing investor **L Catterton**, a US-based PE firm. The funds will be used to expand Butternut Box's presence in Europe, including a new manufacturing facility
- ▶ On September 7th, **Nestlé** announced an agreement with **Advent International**, a US-based PE firm, to acquire a majority stake in **Grupo CRM**, a Brazil-based direct-to-consumer premium chocolate company, for an undisclosed amount. The acquisition further broadens and strengthens Nestlé's confectionery presence in Brazil, enabling it to enter the high-end segment

Relative Performance Index



Key Indicators

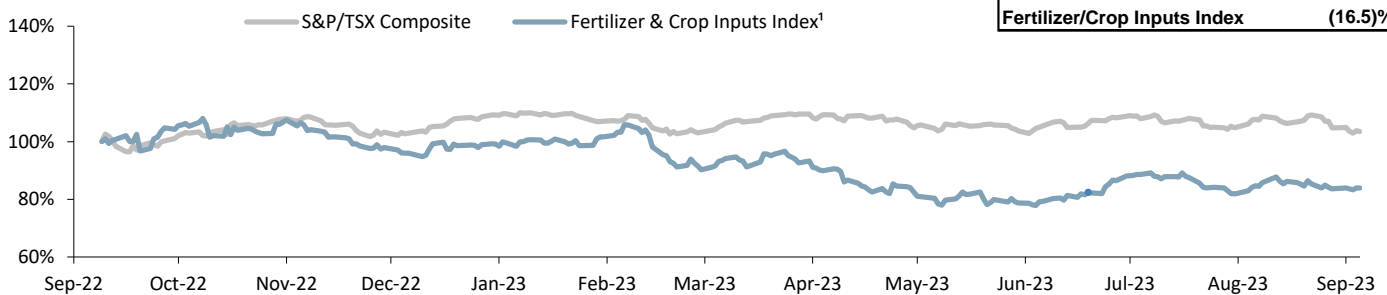
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Saputo Inc.	9,207	12,186	9.9x	8.7x	16.0x	13.6x	(0.6)%	(24.3)%
Ingredion Incorporated	6,508	8,874	7.3x	7.1x	10.9x	10.3x	(1.8)%	(13.3)%
Tate & Lyle plc	3,218	3,643	8.5x	8.0x	13.2x	11.4x	(2.1)%	(18.1)%
Premium Brands	3,150	5,201	10.9x	9.8x	20.2x	16.7x	(3.8)%	(16.3)%
Maple Leaf Foods Inc.	2,363	3,900	11.4x	7.5x	nmf	13.4x	(3.4)%	(17.5)%
SunOpta Inc.	398	855	9.7x	7.9x	nmf	32.4x	(7.9)%	(71.3)%
Rogers Sugar	422	759	9.0x	8.7x	12.4x	12.1x	(4.1)%	(15.9)%
High Liner Foods Incorporated	273	488	6.4x	6.2x	6.0x	5.9x	0.5%	(30.7)%
Mean			9.1x	8.0x	13.1x	14.5x	(2.9)%	(25.9)%

News Scan

- ▶ On September 26th, **Deere & Company** (“John Deere”) (NYSE: DE) and **Yara International ASA** (“Yara”) (YARIY U.S.: OTC) announced a partnership that will combine Yara’s agronomic expertise with John Deere’s precision technology and advanced machinery. The partnership combines the advanced connectivity of the John Deere Operations Center™ with Yara’s Atfarm digital platform, and will provide farmers with tailored crop nutrition recommendations, enabling them to increase yields and optimize fertilizer use. The investment in the partnership was not disclosed.
- ▶ On September 15th, **Indigo Ag**, a US-based developer of biologicals and digital products that drive sustainability and profitability in agriculture, announced that it has raised over US\$250 million in its latest investment round, which saw participation by **Flagship Pioneering**, **State of Michigan Retirement System** and **Lingotto Investment Management**. Indigo Ag will use the capital to scale-up its offerings
- ▶ On September 13th, **Biodel AG**, a US-based developer of biological ingredients for the crop protection industry, announced the closing of its Series A financing round after successfully raising US\$2.75 million, led by **Pangaea Ventures Ltd**, a Canadian VC firm with a focus on advanced materials and clean technology. The funding will help Biodel AG accelerate commercialization of its novel solutions aimed at enhancing soil health, optimizing water utilization, improving nutrient efficiency, and sequestering carbon emissions from the atmosphere
- ▶ On September 7th, **Floridienne Group**, a Belgium-based holding company involved in chemistry, food and life sciences, through its subsidiary **Biobest Group** (“Biobest”), a Brazil-based provider of biological pest and disease control, announced a binding agreement on the acquisition of **Biotrop Participações s.a**, a Brazil-based provider of biological solutions for agriculture, from Singapore-based **GIC** and Brazil-based **Aqua Capital**, for US\$563 million. This transaction gives Biobest a significant position in South America and allows it to expand its range of biological solutions, which will now cater to both greenhouse crops, Biobest’s traditional activity, and open-field crops

Relative Performance Index



Key Indicators

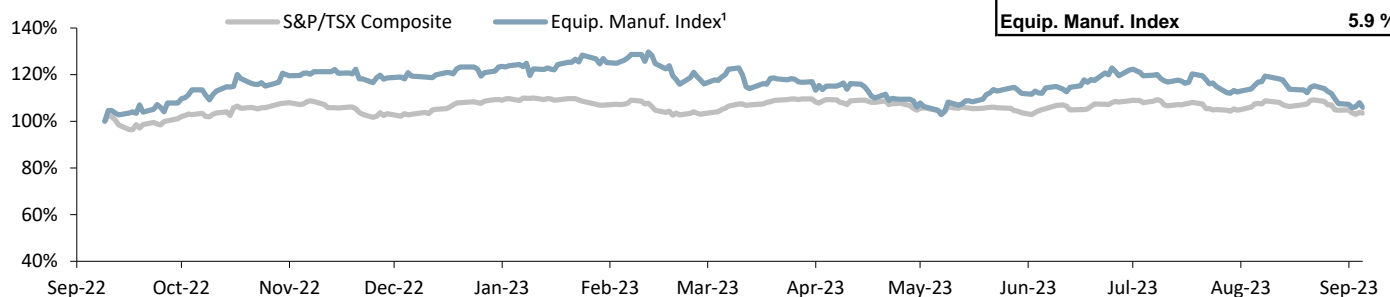
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2023E	2024E	2023E	2024E		
Nutrien Ltd.	31,524	45,015	7.0x	7.2x	12.0x	12.0x	(0.0)%	(30.5)%
CF Industries Holdings, Inc.	16,543	19,787	6.8x	7.7x	10.5x	12.8x	2.6 %	(23.7)%
The Mosaic Company	11,829	15,427	5.2x	5.7x	9.0x	10.4x	(4.1)%	(38.0)%
Yara International ASA	9,429	13,298	6.8x	5.7x	nmf	nmf	0.0 %	(18.5)%
Nufarm Ltd.	1,240	2,139	6.8x	6.4x	15.6x	12.2x	2.6 %	(25.9)%
Mean			6.6x	6.5x	11.8x	11.9x	0.2 %	(27.3)%

News Scan

- ▶ On September 28th, **AGCO Corporation (“AGCO”)** (NYSE: AGCO), a US-based manufacturer and distributor of agricultural machinery, announced that it has entered into a joint venture (JV) with **Trimble (Nasdaq: TRMB)**, a US-based industrial technology company. The JV terms provide that AGCO will acquire an 85% interest in Trimble’s portfolio of ag assets and technologies for US\$2.0 billion and the contribution of its JCA Technologies business, which leads in the emerging area of autonomous agricultural machine systems. The JV creates a global leading mixed-fleet Precision Ag platform
- ▶ On September 28th, **Scentian Bio**, a New Zealand-based developer of a patented olfactory biosensor technology used for food and flavor quality control and food-pathogen detection, announced the close of its US\$2.1 million seed funding round, led by international tech VC funds **Finistere Ventures** and **Toyota Ventures**, as well as support from **Icehouse Ventures** and **Our Crowd**, among others. The funds will be used to accelerate Scentian Bio’s commercialization plans, starting with the food industry
- ▶ On September 13th, **King Ranch Ag & Turf (“King Ranch”)**, a division of King Ranch, Inc. providing John Deere agricultural, commercial, and lawn and garden products in Texas, announced the acquisition of **Brookside Equipment**, a John Deere dealership group with nine locations throughout the Houston area, for an undisclosed amount. The acquisition aligns with King Ranch’s strategy to grow its leadership and geographic presence throughout Texas

Relative Performance Index



Key Indicators

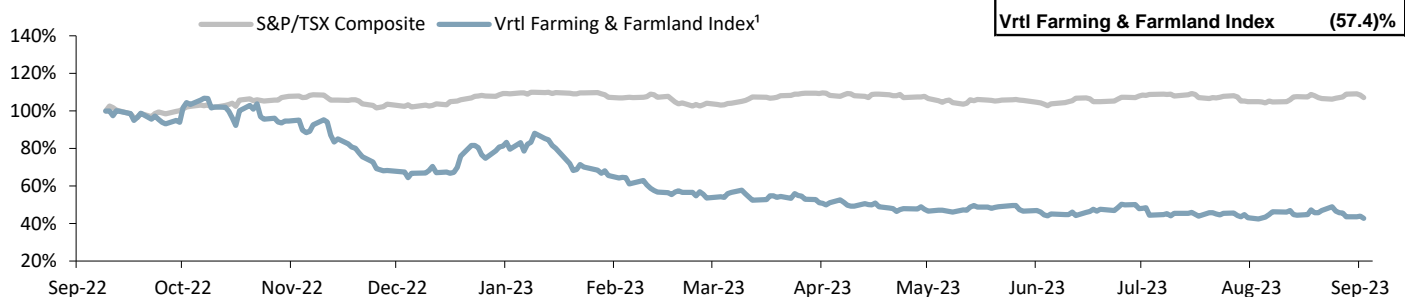
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Deere & Company	108,686	167,625	12.2x	12.5x	11.3x	11.4x	(2.6)%	(16.1)%
AGCO Corporation	8,857	10,989	5.2x	5.8x	8.3x	7.9x	1.3%	(18.7)%
Ag Growth International Inc.	757	1,433	6.4x	6.1x	9.8x	9.3x	(3.3)%	(16.0)%
CNH Industrial N.V.	16,101	38,850	11.8x	11.7x	6.8x	6.6x	(3.0)%	(32.7)%
Mean			8.9x	9.0x	9.1x	8.8x	(1.6)%	(17.0)%

News Scan

- ▶ On September 19th, **Silver Ventures**, a US-based PE firm, announced the sale of its portfolio company **NatureSweet**, a US-based grower and distributor of snacking tomatoes and other vegetables using controlled environment agriculture (CEA), to **Blue Road Capital** ("**Blue Road**"), a US-based investment firm focused on vertically integrated food and agricultural business, for an undisclosed amount. Blue Road is committed to accelerating NatureSweet's growth by investing in vertical integration and further expanding into new distribution channels
- ▶ On September 7th, **Agriam Acquisition Corporation** ("**Agriam**") (TSX: **AGRI.U**), a Canadian SPAC, announced that it has entered into a binding letter of intent (LOI) for a proposed business combination transaction with **Freight Farms, Inc.** ("**Freight Farms**"), a US-based provider of modular controlled environment agriculture, for US\$147 million. The transaction will result in Freight Farms becoming a publicly listed company, which is expected to aid in scaling its business
- ▶ On September 5th, **Climate Asset Management**, a UK-based specialist exclusively dedicated to natural capital, announced the completion of the acquisition of c.1,800 hectares of farmland in Queensland, Australia, for an undisclosed amount. The project will see the transformation of a high intensity mono-cultured crop of sugar cane land transformed regeneratively and managed into a biodiverse native Macadamia orchard cultivated and harvested using a holistic land management approach

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
AppHarvest, Inc.	3	138	na	na	na	na	(42.5)%	(99.4)%
Village Farms International, Inc.	88	147	0.4x	0.4x	21.2x	18.3x	(0.0)%	(65.4)%
Hydrofarm Holdings Group, Inc.	56	222	0.9x	0.9x	nmf	17.8x	(8.8)%	(61.5)%
Gladstone Land Corporation	510	1,112	12.8x	12.2x	na	na	(7.0)%	(37.0)%
Farmland Partners Inc.	497	1,025	17.5x	17.2x	31.3x	30.6x	(4.2)%	(28.7)%
Local Bounti Corporation	20	218	6.2x	2.2x	neg	neg	3.6%	(93.9)%
Mean			7.6x	6.6x	26.3x	22.2x	(9.8)%	(64.3)%

News Scan

- ▶ ON September 29th, **The Western Producer** reported that The ICE Futures canola market was showing some weakness, along with comparable oils, attributed to quiet domestic and international demand, and concern around how exports will play out over the next couple of months
- ▶ On September 28th, **Reuters** reported that the Australian government said that China was removing barriers to imports of hay from Australia, the latest step towards normalizing trade relations. Australian exports of commodities including barley, coal and timber to China resumed earlier this year, but barriers remain on wine, lobsters and meat from some abattoirs
- ▶ On September 27th, **The Western Producer** reported that the Canadian federal government will review a planned merger between Bunge and Glencore-backed Viterra. As part of the review, the transport ministry will launch a public interest assessment of the proposed acquisition, which must be completed by June 2, 2024
- ▶ On September 20th, **Food Ingredients 1st** reported that the UK is experiencing an unexpected decline in inflation, with the Consumer Prices Index (CPI) falling to 6.7% in August while standing at 6.8% in July. UK inflation is at its lowest since the period of Russia's invasion of Ukraine in February last year, which raised food and oil costs
- ▶ On September 18th, **Food Ingredients 1st** reported that the European Commission (EC) has lifted temporary bans on Ukraine grain after Kyiv agreed to tighten control over its agricultural exports. The measures were put in place when Ukrainian grain exports through EU's Solidarity Lanes distorted the grain markets of the five member states that share a border with it
- ▶ On September 14th, **The Western Producer** reported that Canadian stocks of canola, barley, oats and dry peas were up at the end of July 2023 compared to the same date in 2022, according to a farm survey by Statistics Canada. StatCan said higher total supplies reflected increased production in 2022, as growing conditions on Canada's Prairies recovered after one of the driest years on record.
- ▶ On September 12th, **The Western Producer** reported that the UN food agency's (FAO) world price index fell in August to a new two-year low, reversing a rebound seen the previous month, as a decline in most food commodities offset increases for rice and sugar. The index, which tracks the most globally traded food commodities, averaged 121.4 points in August against a revised 124.0 for July
- ▶ On September 1st, **Food Dive** reported that plant-based proteins are rebounding in the US food service space according to a new report from the Good Food Institute. Sales of plant-based meats sold to restaurants and other food service institutions reached US\$730 million in 2022, up 7.8% from the previous year

Commodities Futures as of October 2nd, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.77	(2.05)%	(29.97)%
Wheat (CBOT)	\$ per bu.	\$5.42	(9.83)%	(40.63)%
Oats (CBOT)	\$ per bu.	\$4.33	(16.30)%	7.99 %
Rough Rice (CBOT)	\$ per cwt.	\$15.91	(4.62)%	(6.05)%
Rapeseed (Canola) (ICE)	CAD per T	\$707.00	(12.91)%	(18.15)%
Ethanol (CBOT)	\$ per gal.	\$2.16	-	0.00 %



About Us

Origin Merchant Partners is the leading Independent North American Financial Advisor to the Food & Agriculture Sector.

To learn more about our active food & agriculture practice, please reach out to any of our team members below.

Origin Merchant Partners
Chicago | Montreal | Toronto
www.originmerchant.com

OMP Agri Food Team

ANDREW MUIRHEAD
MANAGING DIRECTOR
andrew.muirhead@originmerchant.com

JIM OSLER
MANAGING DIRECTOR
jim.osler@originmerchant.com

GREG MARTIN
DIRECTOR
greg.martin@originmerchant.com

SHAUN QUENNEL
DIRECTOR
shaun.quennell@originmerchant.com

CHRISTOPHER SOLDA
DIRECTOR
christopher.solda@originmerchant.com