

November 2023

Industry Highlights on

Food & Agriculture

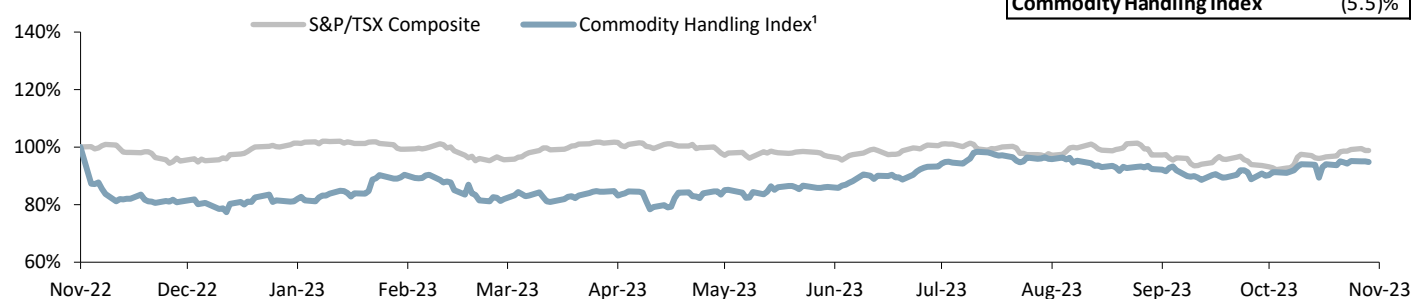


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On November 15th, **Malteries Soufflet**, the second largest operator in the global malt industry and subsidiary of **InVivo Group**, a France-based agricultural group, announced that it has completed the acquisition of **United Malt Group Limited (“United Malt”)**, an Australia-based maltster, for A\$1.5 billion. This deal will create a global malt platform by combining the complementary assets of Malteries Soufflet and United Malt, both in terms of geographical footprint and business segments
- ▶ On November 15th, **GrainCorp Limited (“GrainCorp”)** (ASX: GNC), an Australia-based international agribusiness and grain processing company, announced that it has entered into an agreement to acquire **XF Australia Pty Ltd**, a provider of feed supplement products and nutritional consulting services, for A\$35 million. This transaction is consistent with GrainCorp’s growth strategy to strengthen their offering in the animal nutrition sector
- ▶ On November 10th, **Mountaire Farms**, a US-based agricultural food processor specializing in chicken products, announced that it has signed a letter of intent to purchase three Maryland grain elevators, from **Nagel Farm Service**, a family-owned agribusiness serving the US mid-Atlantic region, for an undisclosed amount. The grain facilities, located in Preston, Cordova, and Wye Mills, are key locations for farmers on the Mid-Shore
- ▶ On November 8th, **United Grain Corporation (“UGC”)**, a US-based grain exporter, announced that it has signed an agreement with **Grain Craft**, a US-based independent flour miller, to acquire its facilities in Pendleton, Oregon, for an undisclosed amount. The Pendleton acquisition includes a grain elevator, more than 19,000 square feet of warehouse and accompanying property and is expected to support UGC’s McNary River Terminal by acting as a wheat satellite and position the company for growth in existing and new product lines
- ▶ On November 1st, **Benson Hill, Inc. (“Benson Hill”)** (NYSE: BHIL), a US-based food tech company, announced that it has sold its soybean crush facility located in Seymour, Indiana, to **White River Soy Processing, LLC**, a US-based developer and operator of oilseed processing facilities, for approximately US\$36 million. Benson Hill will use the proceeds of the sale to improve its liquidity position, pay down debt, and reduce operating and working capital costs

Relative Performance Index



Key Indicators

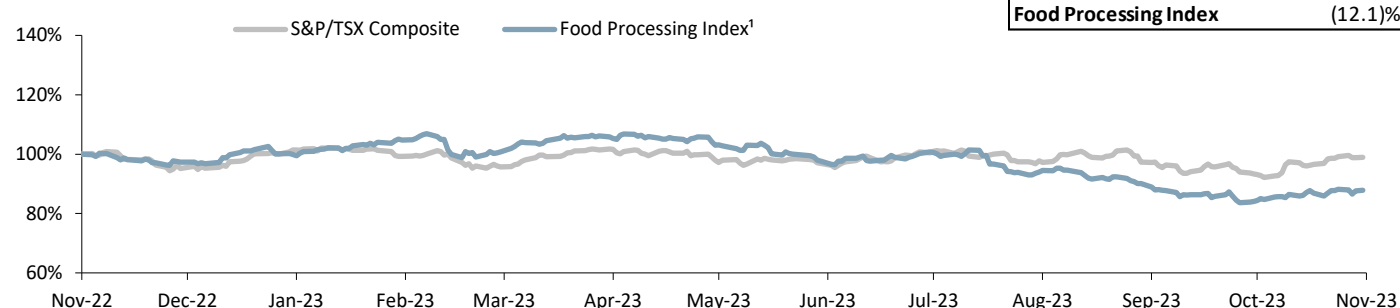
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
ADM	39,630	48,537	6.8x	7.5x	10.2x	11.3x	(1.0)%	(25.2)%
Bunge Limited	15,693	20,584	6.1x	6.5x	8.2x	8.9x	1.5 %	(7.8)%
The Andersons, Inc	1,714	2,261	6.1x	5.7x	18.0x	13.1x	0.7 %	(4.6)%
Graincorp Limited	1,210	1,567	3.9x	6.9x	6.8x	15.7x	4.1 %	(7.4)%
Ceres Global Ag	52	149	na	na	na	na	(11.4)%	(25.7)%
Mean			5.7x	6.7x	10.8x	12.2x	(1.2)%	(14.1)%

News Scan

- ▶ On November 16th, **Mars Inc. (“Mars”)**, a global leader in confectionery, food, and pet care products and services, announced that it has agreed to acquire **Hotel Chocolat**, a UK-based manufacturer and marketer of premium chocolate and cocoa-related products, for US\$665 million. Hotel Chocolat’s distinctive capabilities in luxury gifting and immersive brand experiences will further strengthen Mars’ commitment to the UK market
- ▶ On November 16th, **The Duckhorn Portfolio, Inc. (“Duckhorn”) (NYSE: NAPA)**, a US-based luxury wine company, announced that it has entered into a definitive agreement to acquire **Sonoma-Cutrer Vineyards**, one of the largest luxury Chardonnay wineries in the US, from **Brown-Forman Corporation (NYSE: BFA, BFB)**, a US-based producer and marketer of alcoholic beverages, for approximately US\$400 million. This acquisition will round out Duckhorn’s portfolio by significantly elevating its position within Chardonnay, the number one domestic white varietal, in which Duckhorn lacks a meaningful presence
- ▶ On November 14th, **Premium Brands Holdings Corp. (“Premium Brands”) (TSX: PBH)**, a Canada-based producer, marketer and distributor of branded specialty food products, announced its acquisition of **Menu-Mer**, a Canada-based company specializing in the processing and sale of fish and seafood, for an undisclosed amount. Menu-Mer’s market focus is expected to complement the geographic reach of Premium Brands’ Quebec-based Viandex and C&C businesses
- ▶ On November 13th, **Ingredion Incorporated (“Ingredion”) (NYSE: INGR)**, a US-based provider of ingredient solutions to the food and beverage industry, announced that it has signed a definitive agreement to divest its business in South Korea to an affiliate of the **Sajo Group**, a South Korea-based food company, for US\$291 million. The sale will free up resources and help Ingredion redeploy them in other growth areas
- ▶ On November 9th, **General Mills, Inc. (“General Mills”) (NYSE: GIS)**, a US-based manufacturer and marketer of branded consumer foods, announced the acquisition of **Fera Pets, Inc.**, a US-based vet-founded pet supplement company, for an undisclosed amount. The acquisition will bring new health-focused offerings to General Mills’ pet portfolio and represent its first step into the pet supplement category
- ▶ On November 3rd, **Central Garden & Pet (“Central”) (NASDAQ: CENT)**, a US-based provider of pet and garden products, announced that it has acquired **TDBBS, LLC (“TDBBS”)**, a US-based provider of premium natural dog chews and treats, from US-based **Bregal Partners**, for an undisclosed amount. The addition of TDBBS will expand Central’s portfolio with bully and collagen sticks, bones and jerky, and further strengthen Central’s eCommerce and digital capabilities

Relative Performance Index



Key Indicators

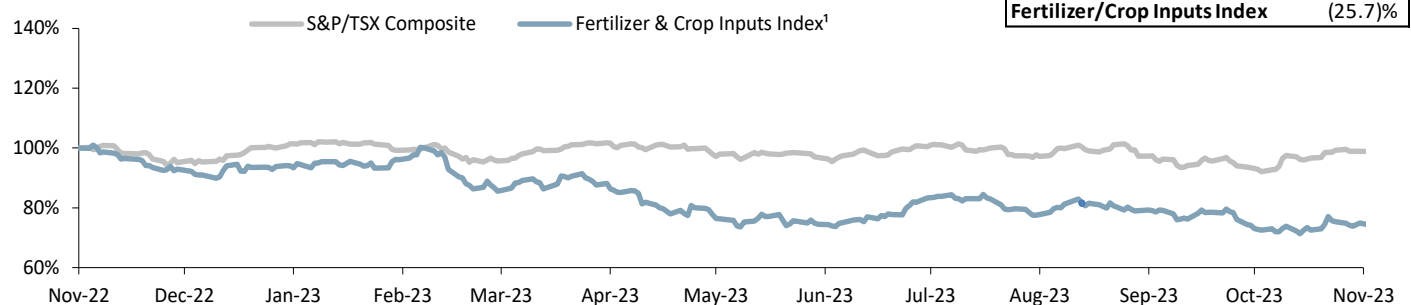
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	8,644	11,591	9.7x	8.5x	15.6x	13.6x	(1.8)%	(28.9)%
Ingredion Incorporated	6,772	8,965	7.5x	7.1x	11.2x	10.7x	0.8%	(8.6)%
Premium Brands	3,038	4,987	10.7x	9.5x	20.8x	16.8x	(0.3)%	(19.3)%
Maple Leaf Foods Inc.	2,279	3,768	11.4x	7.6x	nmf	16.1x	(2.9)%	(20.6)%
Tate & Lyle plc	2,981	3,352	7.6x	7.1x	12.3x	10.8x	(2.3)%	(25.3)%
SunOpta Inc.	579	1,058	13.3x	12.0x	nmf	38.3x	1.6%	(52.8)%
Rogers Sugar	433	762	9.1x	8.7x	12.7x	12.4x	4.9%	(13.9)%
High Liner Foods Incorporated	278	454	6.4x	6.2x	7.1x	6.7x	2.4%	(29.5)%
Mean			9.5x	8.3x	13.3x	15.7x	0.3%	(24.9)%

News Scan

- ▶ On November 17th, **CF Industries Holdings, Inc. ("CF Industries") (NYSE: CF)**, a US-based global manufacturer and distributor of agricultural fertilizers, announced the expiration of the HSR Act waiting period, a regulatory condition in connection with its previously announced agreement to acquire the Waggaman ammonia production complex from **Incitec Pivot Limited ("IPL")**, an Australia-based multinational manufacturer of fertilizers and explosive chemicals, for US\$1.675 billion. With this closing condition satisfied, CF Industries and IPL are expected to complete the transaction by December 1st
- ▶ On November 13th, **CoteX Technologies**, a Canadian agtech startup, and **Nutrien**, a Canadian provider of crop inputs and services, announced that they have entered into a Memorandum of Understanding (MOU) to explore the joint commercialization of a coating technology to produce an affordable, environmentally-friendly nitrogen fertilizer solution for large acreage crops in the North American market
- ▶ On November 9th, **Yara International ASA ("Yara") (OB: YAR)**, a Norwegian global producer and distributor of fertilizers, announced its intention to divest its fertilizer import and distribution subsidiary in Ivory Coast to an anonymous third-party, for an undisclosed amount. Following this divestiture, Yara will pivot towards other countries in Africa that offer better growth opportunities
- ▶ On November 2nd, **Talus Renewables ("Talus")**, a US-based renewable energy infrastructure company and creator of the first modular green ammonia system deployed commercially, announced its US\$22 million Series A financing co-led by **Material Impact** and **Xora Innovation**, a deep tech early-stage investment platform of **Temasek**, joined by **Cavallo Ventures**, the VC arm of **Wilbur-Ellis**, and **Rice Investment Group**. With this funding, Talus will ramp up production of its green ammonia technology, using water, air, and renewable power to revolutionize production of fertilizer and enable on-site operations that significantly reduce the carbon footprint for historically difficult-to-decarbonize industries

Relative Performance Index



Key Indicators

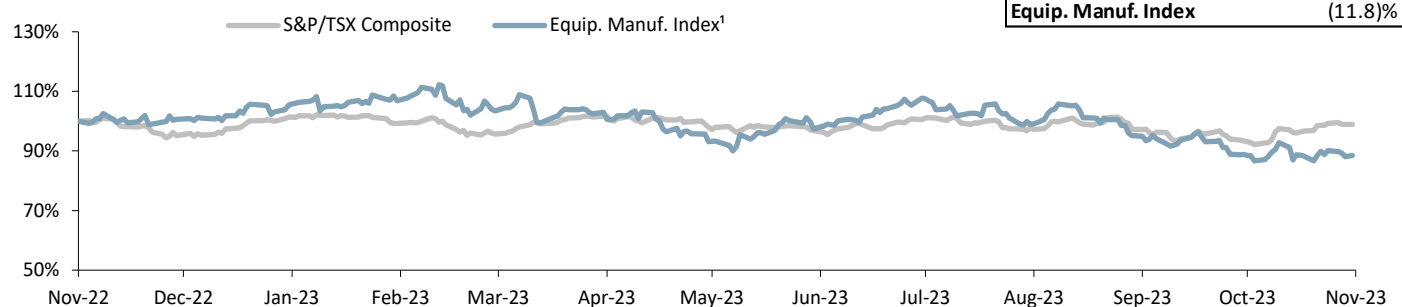
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Nutrien Ltd.	28,670	43,403	7.0x	7.0x	12.2x	11.6x	(4.6)%	(33.7)%
CF Industries Holdings, Inc.	14,971	18,875	6.6x	7.4x	9.6x	12.3x	(5.3)%	(30.4)%
The Mosaic Company	11,900	15,524	5.4x	5.8x	9.6x	10.8x	(2.1)%	(37.3)%
Yara International ASA	8,831	12,086	7.0x	5.2x	nmf	nmf	(0.1)%	(25.5)%
Nufarm Ltd.	1,225	1,990	6.4x	5.9x	15.3x	12.5x	1.1 %	(27.1)%
Mean			6.5x	6.3x	11.7x	11.8x	(2.2)%	(30.8)%

News Scan

- ▶ On November 16th, **Farmers Edge Inc. (“Farmers Edge”)** (TSX: FDGE), a Canada-based developer of digital agriculture solutions, announced that it has received a non-binding proposal from its majority shareholder, **Fairfax Financial Holdings Limited (“Fairfax”)** (TSX: FFH), a Canada-based insurance and investment management group, by which Fairfax would acquire all of the common shares of Farmers Edge it does not already own (38.6%), for C\$0.25 per share. Following this announcement, Farmers Edge’s stock price jumped by ~85% and its board of directors has formed a special committee of independent directors to evaluate the proposal. Assuming the debt issued by Fairfax will not be extinguished, the implied TEV is ~C\$80 million
- ▶ On November 13th, **Fecon LLC (“Fecon”)**, a US-based manufacturer of heavy-duty site preparation attachments and forestry accessories, announced that it has acquired **TREEfrogg LLC**, a US-based manufacturer of tree trimming saw attachments for skid steers and compact track loaders, for an undisclosed amount. The acquisition will expand Fecon’s right-of-way clearing solutions in the forestry mulching and vegetation management industry
- ▶ On November 11th, **AGCO (NYSE: AGCO)**, a US-based designer, manufacturer and distributor of agricultural machinery and precision ag technology, announced that it has signed an agreement to acquire digital assets from **FarmFacts GmbH**, a Germany-based developer of farm management information software (FMIS), for an undisclosed amount. The acquisition will increase AGCO’s FMIS offering and software development capabilities to serve farmers’ data management needs
- ▶ On November 9th, **Aigen**, a US-based agtech company developing solar-powered autonomous robots for crop management without chemicals or fossil fuels, announced that it has closed a US\$12 million Series A financing from leading investor **ReGen Ventures** along with **NEA, Cleveland Avenue, Incite**, and **Susquehanna Private Equity Investments LLP**. The funding is expected to expand Aigen’s manufacturing capacity to meet its high pre-order demand

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

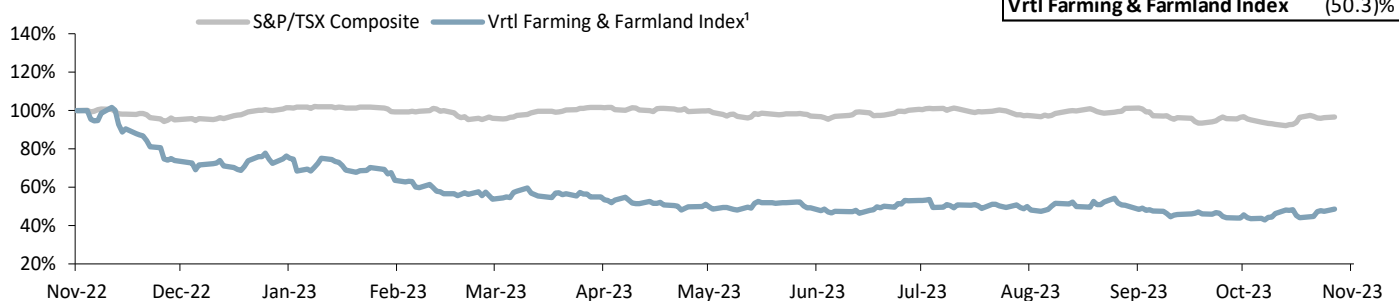
	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Deere & Company	106,615	164,718	12.3x	14.4x	10.9x	13.0x	(4.3)%	(19.5)%
CNH Industrial N.V.	13,471	37,043	11.9x	12.6x	5.9x	6.3x	4.5 %	(41.8)%
AGCO Corporation	8,686	10,337	4.9x	5.5x	8.2x	8.0x	(1.4)%	(21.3)%
Ag Growth International Inc.	715	1,391	6.3x	6.0x	9.7x	8.7x	(3.2)%	(22.8)%
Mean			8.8x	9.6x	8.7x	9.0x	(0.4)%	(27.5)%

News Scan

- ▶ On November 17th, **Hord Family Farms (“Hord”)**, a US-based pork producer, announced that it has completed the acquisition of the assets of **New Horizon Farms**, a US-based farrow-to-finish swine operation, for an undisclosed amount. The acquisition will help Hord expand its presence in the Midwest
- ▶ On November 10th, **Manulife Investment Management**, a Canada-based firm focusing on natural capital, including both agriculture and timberland, announced the initial close of its closed-end **Manulife Forest Climate Fund LP** after securing commitments totaling up to US\$224.5 million towards its US\$500 million targeted offering. The fund will focus on generating a long-term supply of high-quality carbon credits to be available through direct in-kind transfers for investors own climate goals or for purposes such as monetizing in the carbon markets
- ▶ On November 3rd, Australia-based **Warakirri Asset Management** announced its acquisition of two vineyards in Western Australia, namely **Amadeus Vineyard** and **Smithbrook Estate**, through its **Warakirri Diversified Agriculture Fund (“WDAF”)**, for US\$14.4 million. The acquisitions will expand WDAF’s diversification by geography, climate, water source and counterparty, while adding further scale and complementing its existing premium wine sector exposure, and take WDAF’s assets to over US\$90.8 million
- ▶ On November 1st, **Pacifico Aquaculture (“Pacifico”)**, a US-based sustainable aquaculture company, a portfolio company of US-based **Butterfly Equity (“Butterfly”)**, announced that it has received a project financing from US-based **Equilibrium Capital**, in addition to a significant equity investment from a consortium led by Butterfly and a leading unnamed US public pension fund. This funding will be used to fully finance Pacifico’s nursery facility in Baja California and provide a substantial runway to scale its production capacity to meet the robust market demand for sustainably raised striped bass

Relative Performance Index

YoY Change	
S&P/TSX	(1.1)%
Vrtl Farming & Farmland Index	(50.3)%



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		
Farmland Partners Inc.	605	1,137	19.4x	19.8x	24.9x	26.3x	9.8 %	(11.1)%
Gladstone Land Corporation	519	1,129	12.5x	11.9x	14.8x	14.4x	3.7 %	(31.5)%
Local Bounti Corporation	32	292	9.5x	4.2x	neg	neg	51.7 %	(86.2)%
Hydrofarm Holdings Group, Inc.	40	196	0.8x	0.9x	nmf	18.9x	4.9 %	(71.4)%
Village Farms International, Inc.	97	144	0.4x	0.3x	17.3x	11.2x	24.3 %	(65.4)%
Mean			8.5x	7.4x	19.0x	17.7x	7.4 %	(60.9)%

News Scan

- ▶ On November 27th, **The Western Producer** reported a bird flu outbreak in the province of British Columbia, affecting a total of 41 commercial poultry operations. To date, 5.1 million birds were euthanized following provincial regulations
- ▶ On November 24th, **The Western Producer** reported that the Canadian pea market continues to maintain stable sales despite rising competition from Russia. From July to October 2023, Canada has exported 465,940 tonnes of peas to China, largely in line with the past two years despite a drop in market share due to China's increased import volumes. Experts forecast, however, that exports to China could shrink if the US introduces anti-dumping duties on Chinese pea imports
- ▶ On November 23rd, **The Western Producer** reported that the stopgap funding bill to keep the US government open, signed by President Joe Biden on Nov. 16, includes funding through next September for farm programs and food assistance, but only a few months of funds for a key nutrition program for low-income mothers and their young children
- ▶ On November 23rd, **Reuters** reported that the European Parliament rejected a plan to cut back reliance on pesticides in agriculture in another setback in Europe-wide efforts to protect the environment. With 299 votes against the Sustainable Use of Plant Protection Products Regulation (SUR), 207 in favor, and 121 abstentions, members of the European Parliament rejected a package of draft legislation that had been negotiated intensely for months
- ▶ On November 17th, **FoodBev** reported that the Italian Chamber of Deputies has passed a law banning the production and marketing of cell-based meat and the use of meat-related names, such as 'salami' or 'steak', for plant-based meat products. Italy made the move in a bid to protect its agricultural history and traditional culinary culture
- ▶ On November 16th, **Reuters** reported that the European Union will extend the glyphosate's authorization for 10 years based on the European Food Agency and the European Chemicals Agency safety assessments and subject to new conditions and restrictions, such as maximum application rates
- ▶ On November 16th, **FoodBev** reported that 11 new members joined the United States Agency for International Development (USAID) funded project to combat antimicrobial resistance (AMR) due to poultry farming. The project unites poultry associations to limit the use of antibiotics to treat bacterial infections as this can contribute to AMR that spreads amongst human, animal and plant populations, weakening our ability to prevent and treat future infections
- ▶ On November 13th, **Food Ingredients First** reported that Czech start-up Bene Meat Technologies has obtained certification from the European Feed Materials Register to develop cell-based meat for cats and dogs. The company claims to be the only entity in the world that can produce and sell this product for the pet food market
- ▶ On November 9th, **The U.S. Department of Agriculture** reported that Brazil has rapidly emerged as a wheat exporter in Indonesia and other foreign markets. Following the emergence of Brazil, Canadian wheat exporters now face a new competitor besides Australia. Experts believe, however, that competitive pressure from Brazil will be limited given quality concerns on their wheat products
- ▶ On November 3rd, **Food Ingredients First** reported that world food commodity prices inched down in October, down by 0.5% from September, with the index for dairy products the only one to rise, according to the latest FAO data. The FAO Food Price Index averaged 120.6 points last month, down 10.9% from its corresponding value a year earlier

Commodities Futures as of November 27th, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.83	0.36 %	(28.12)%
Wheat (CBOT)	\$ per bu.	\$5.77	0.30 %	(26.06)%
Oats (CBOT)	\$ per bu.	\$3.90	(3.11)%	2.77 %
Rough Rice (CBOT)	\$ per cwt.	\$17.57	8.36 %	(2.04)%
Rapeseed (Canola) (ICE)	CAD per T	\$695.30	0.30 %	(14.94)%
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

SHAUN QUENNELL
DIRECTOR
shaun.quennell@originmerchant.com

GREG MARTIN
DIRECTOR
greg.martin@originmerchant.com

CHRISTOPHER SOLDA
DIRECTOR
christopher.solda@originmerchant.com