

January 2024

Industry Highlights on

Food & Agriculture

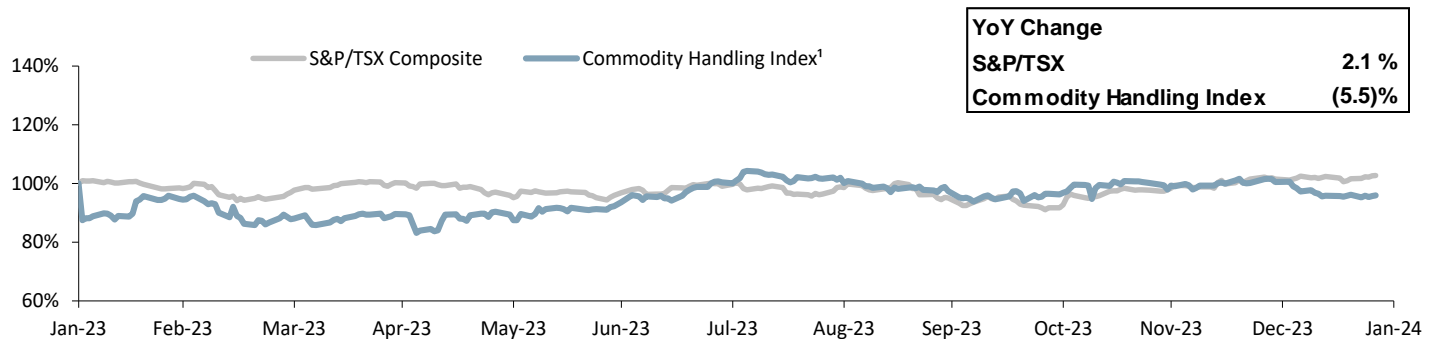


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On January 31st, **The Scouler Co. (“Scouler”)**, a US-based agriculture conglomerate, announced that it has acquired three grain handling facilities from **Skyland Grain**, a grain farmers’ co-operative with operations in Kansas, Oklahoma and Colorado, near its Kansas shuttle-loader, for an undisclosed amount. The acquisition of these facilities will more than double Scouler’s storage capacity in the region while expanding market opportunities for area farmers
- ▶ On January 12th, **Archer Daniels Midland Company (“ADM”) (NYSE: ADM)**, announced that it has received a substantial investment of C\$26.3 million from the **Government of Canada** for its grain terminal expansion project at Port Windsor. The expansion project is expected to bolster export capacity for agricultural production through infrastructure enhancements
- ▶ On January 10th, US-based agriculture & energy cooperatives **Ceres Solutions Cooperative, Inc.** and **Co-Alliance Cooperative, Inc.**, announced that both boards and memberships have overwhelmingly approved their proposed merger. The merged entity will be named **Keystone Cooperative, Inc.**, effective March 1st, with 195 grain and crop inputs locations across Indiana, Illinois and Ohio
- ▶ On January 4th, **ForFarmers**, a Netherlands-based provider of feed solutions to the livestock farming industry, announced that its subsidiary **Tasomix**, a Poland-based producer of feed and concentrates for poultry, pigs and cattle, had completed the acquisition of **Piast Pasze Sp. z.o.o.**, a Poland-based provider of feed products for farm animals, for US\$33 million. The acquisition is aimed at expanding ForFarmer’s presence in the attractive Polish agricultural market

Relative Performance Index



Key Indicators

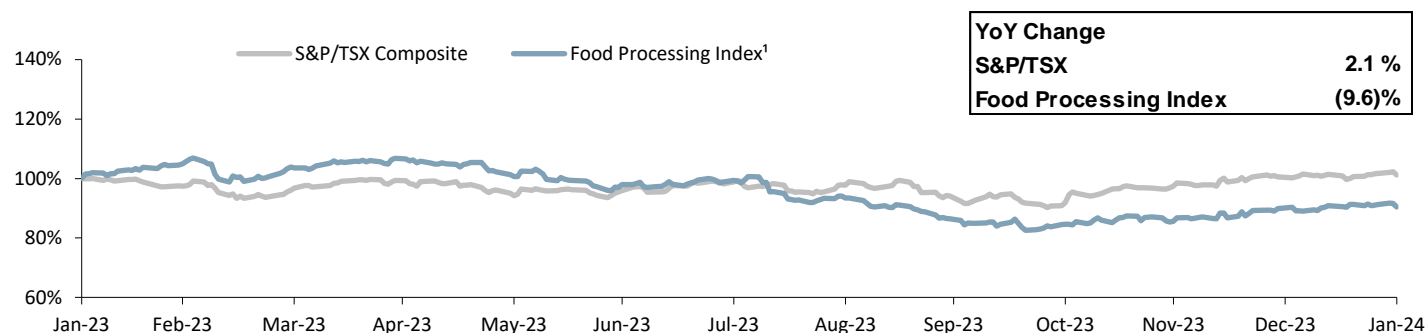
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
ADM	29,645	38,633	5.4x	6.4x	7.9x	9.5x	6.3 %	(36.3)%
Bunge Limited	12,798	17,616	6.1x	6.5x	8.2x	8.9x	(2.3)%	(24.4)%
The Andersons, Inc	1,766	2,423	6.5x	6.1x	18.6x	13.4x	1.2 %	(10.4)%
Graincorp Limited	1,196	1,539	4.0x	7.1x	7.0x	16.2x	4.4 %	(3.5)%
Ceres Global Ag	52	148	na	na	na	na	(0.9)%	(27.0)%
Mean			5.5x	6.5x	10.4x	12.0x	1.7 %	(20.3)%

News Scan

- ▶ On January 24th, **Saco Foods LLC (“Saco”)**, a branded, niche market food products company announced that it has acquired **Solo Foods LLC**, a 100-year legacy specialty baking ingredient products brand, from Chicago-based food ingredients manufacturer **Sokol & Co. Solo Foods**, for an undisclosed amount. This acquisition is expected to expand Saco’s center-store baking line and present significant cross-sell opportunities
 - On January 22nd, **Fengate Private Equity (“Fengate”)**, a division of Fengate Asset Management focused on providing growth capital to entrepreneurs and operations, announced that it has completed the acquisition of **Saco** for an undisclosed amount. This acquisition represents Fengate’s first platform investment in the US
- ▶ On January 16th, **Calavo Growers, Inc. (“Calavo”) (Nasdaq: CVGW)**, a US-based provider of avocados and other ready-to-eat fresh food items, announced that it has signed a non-binding letter of intent on the sale of its **Fresh Cut Business** to **F&S Fresh Foods**, a US-based distributor of fresh-cut fruits, vegetables, and meal solutions, for US\$100 million. The sale will result in a significant reduction to Calavo’s SG&A and renew its focus on its core avocado and guacamole businesses
- ▶ On January 16th, **H.I.G. Capital (“H.I.G.”)**, a US-based investment firm, announced its acquisition of **Patriot Pickle**, a US-based manufacturer and distributor of fresh pickles and other fermented foods, from **Swander Place Capital**, a US-based PE firm specializing in consumer product companies, for an undisclosed amount. H.I.G. will use its expertise in the food & beverage sector to accelerate Patriot Pickles’ growth
- ▶ On January 1st, **Platinum Equity**, a US-based PE firm, announced the signing of a definitive agreement to acquire **Horizon Organic**, a US-based USDA-certified organic dairy brand, and **Wallaby**, a US-based Australian-inspired Greek-style yogurt, from **Danone**, the global dairy giant, for an undisclosed amount. The acquisitions are targeted at the fast-growing premium dairy segment, including organic and value-added products

Relative Performance Index



Key Indicators

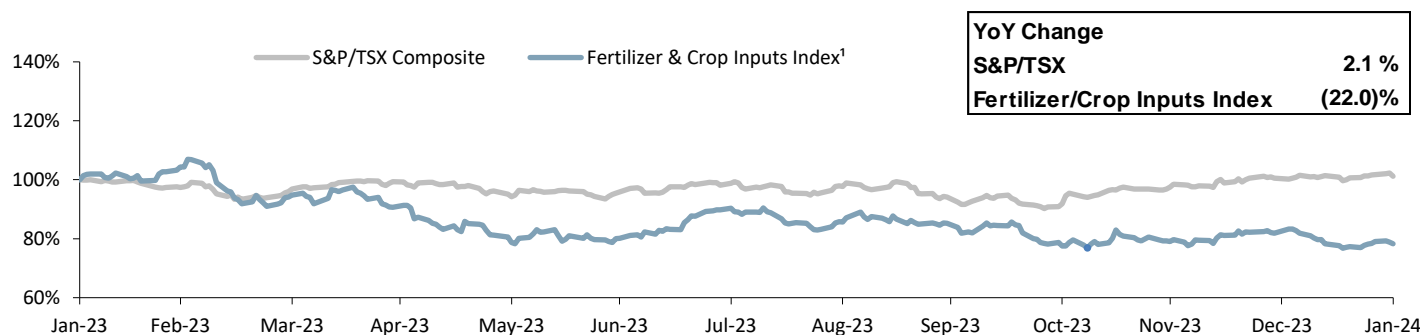
All Figures in USD millions unless indicated

Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	8,788	11,668	10.1x	8.8x	16.6x	14.4x	(3.4)%	(26.1)%
Ingredion Incorporated	7,013	9,266	7.7x	7.4x	11.6x	11.0x	(1.4)%	(5.2)%
Premium Brands	3,054	5,008	10.7x	9.5x	20.8x	16.7x	(0.8)%	(19.0)%
Maple Leaf Foods Inc.	2,335	3,828	11.6x	7.7x	nmf	16.4x	(5.2)%	(18.9)%
Tate & Lyle plc	3,150	3,826	8.3x	7.8x	12.2x	10.8x	(0.1)%	(25.6)%
SunOpta Inc.	704	1,187	14.9x	13.4x	nmf	47.6x	0.1%	(32.7)%
Rogers Sugar	437	761	9.4x	8.6x	14.9x	13.1x	1.8%	(13.3)%
High Liner Foods Incorporated	287	447	6.3x	6.1x	7.5x	7.1x	1.9%	(26.8)%
Mean			9.9x	8.6x	13.9x	17.1x	(0.9)%	(21.0)%

News Scan

- ▶ On January 23rd, **Yara International (OCTMKTS: YARIY), Reitan Retail, Norgesjøllene, Felleskjøpet Agri**, announced that they have entered into a collaboration to produce a bread made from Norwegian oats that have a lower carbon footprint versus conventional products. The four companies represent the majority of the food value chain for grain and seek to reduce the carbon footprint of food from farm to fork
- ▶ On January 9th, **UPL Ltd. ("UPL") (NSE: UPL & BSE: 512070 LSE: UPLL)**, an India-based provider of sustainable agriculture products and solutions, announced its planned acquisition of the solo mancozeb global fungicide business from **Corteva Agriscience**, a US-based provider of seed and crop protection solutions, for an undisclosed amount. The acquisition is expected to strengthen UPL's portfolio of multisite fungicide solutions
- ▶ On January 9th, **M&G plc**, a UK-based investment firm, announced that it has made a US\$81 million investment into **Biobest**, a Netherlands-based developer, producer and marketer of tailored biological stimulants and pest control solutions. The investment aims to capitalize on the increasingly important natural pesticide and bio-fertilizer segment of the global pest-control market as the search for alternatives to traditional chemical pesticides intensifies
- ▶ On January 8th, **J&J Bagging**, a US-based company specializing in packaged feed, seed, and fertilizer manufacturing and distribution, announced that it has received a strategic investment from **CGB Enterprises, Inc. ("CGB")**, a leader in the grain and transportation industries, for an undisclosed amount. The collaboration is expected to improve J&J Bagging's business model and deliver high-quality products and services in the fertilizer market
- ▶ On January 3rd, **The Aquatrols Company ("Aquatrols")**, a US-based developer of soil surfactants and wetting agents, a subsidiary of **Lamberty SpA**, an Italy-based supplier of specialty chemicals for agriculture and other industries, announced that it has acquired **Precision Laboratories**, a US-based firm specializing in agricultural specialty chemistry and turf ornamentals, for an undisclosed amount. Aquatrols will benefit from Precision Laboratories' state-of-the-art manufacturing and vertically integrated technology sourcing

Relative Performance Index



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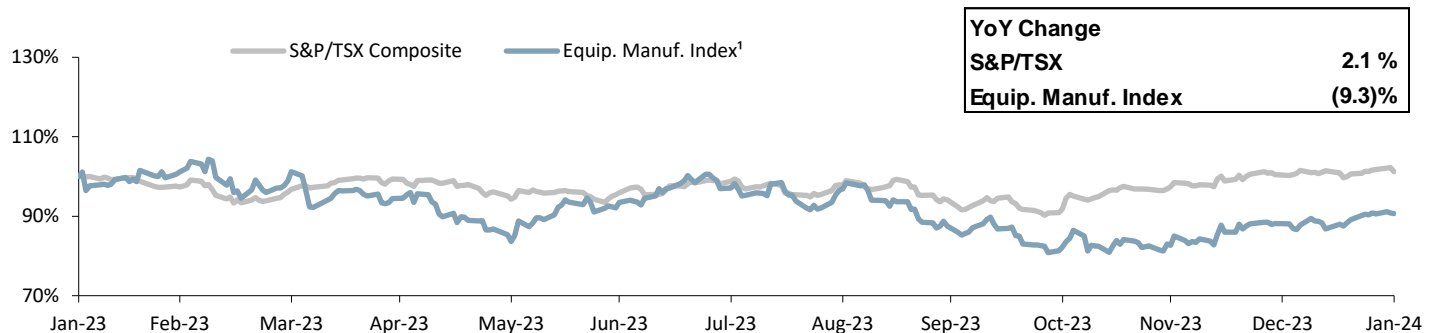
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Nutrien Ltd.	24,781	39,734	6.3x	6.7x	10.6x	10.9x	(3.3)%	(40.8)%
CF Industries Holdings, Inc.	14,427	18,327	6.5x	7.2x	9.3x	11.3x	(0.7)%	(17.2)%
The Mosaic Company	10,037	13,699	4.8x	5.1x	8.2x	9.4x	(4.7)%	(46.6)%
Yara International ASA	8,515	11,770	7.5x	5.4x	nmf	nmf	2.4 %	(29.8)%
Nufarm Ltd.	1,408	2,144	7.2x	6.6x	18.4x	15.0x	6.7 %	(9.1)%
Mean			6.5x	6.2x	11.6x	11.6x	0.1 %	(28.7)%

News Scan

- ▶ On January 23rd, **Namakor Holdings (“Namakor”)**, a Canada-based investment firm focused on small and medium enterprises in the manufacturing sector, announced that it has acquired **CMI Mulching Inc. (“CMI Mulching”)**, a Canada-based company specializing in the manufacturing of tracked mulching tractors and stump grinders, for an undisclosed amount. CMI Mulching will leverage Namakor’s deep operational expertise to usher in its next phase of growth
- ▶ On January 18th, **farm-ng**, a US-based developer of adaptable robotics and AI solutions for farmers, announced the successful completion of its Series A funding, raising over US\$10 million, in a round led by US-based **Acre Venture Partners**, with participation from **Xplorer Capital**, **HawkTower** and ten other institutional and individual investors. The funding will allow farm-ng to scale its portfolio of solutions for small- to mid-sized farms
- ▶ On January 17th, **Mediterranean Food Lab (“MFL”)**, an Israel-based developer of a solid-state fermentation technology with an AI-driven computational platform to create flavor ingredients, announced that it has raised US\$17 million in its Series A round of funding led by Sweden-based **Gullspång Re:food**, with participation from **PeakBridge**, **Arancia International**, and **FoodBridge**, among others. The funding will help MFL scale up industrial production and build a sales team to lead the commercialization of its ingredients to foodservice and CPG companies in Europe
- ▶ On January 9th, **Burro**, a US-based ag-focused autonomous mobility company, announced that it has closed a US\$24 million Series B round co-led by US-based **Catalyst Investors** and **Translink Capital**, along with existing investors **S2G Ventures**, **Toyota Ventures**, **F-Prime Capital**, and **Cibus Capital**. Burro will use the funding to accelerate commercialization
- ▶ On January 8th, **Ever.Ag**, a US-based provider of comprehensive software and services for the agricultural supply chain, announced that it has acquired **Prairie Systems**, a US-based company specializing in animal management, feed management, and feed supply chain management for pork producers, for an undisclosed amount. The deal will strengthen Ever.Ag’s portfolio of solutions in the animal protein production segment

Relative Performance Index



Key Indicators

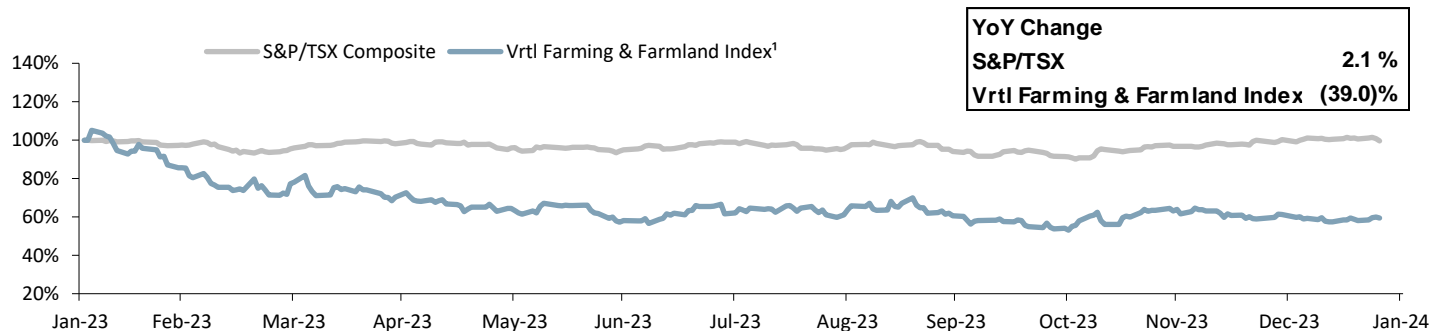
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Deere & Company	110,198	169,758	12.7x	14.6x	11.6x	13.8x	1.6 %	(12.5)%
CNH Industrial N.V.	15,459	39,489	12.6x	14.0x	7.0x	7.9x	1.2 %	(33.3)%
AGCO Corporation	9,160	10,949	5.2x	5.8x	8.6x	9.3x	2.1 %	(15.9)%
Ag Growth International Inc.	802	1,479	6.7x	6.4x	10.9x	9.7x	(2.8)%	(10.9)%
Mean			9.3x	10.2x	9.5x	10.2x	1.6 %	(20.6)%

News Scan

- ▶ On January 25th, **Intelligent Growth Solutions (“IGS”)**, a leading vertical farming technology provider, announced that it has secured £22.5 million in its Series C fundraise led by existing institutional investors. The investment comes after IGS announced that it would be joining Dubai-based partner **ReFarm** to build a game-changing 900,000 square foot GigaFarm in the United Arab Emirates that is capable of replacing 1% of food imports to the country. The innovative waste-to-value farm will have the ability to recycle more than 50,000 tonnes of food waste and grow two billion plants each year
- ▶ On January 18th, **Costa Farms**, a US-based horticulture company, announced the acquisition of **Battlefield Farms**, a US-based grower of over 700 varieties of annuals and perennials, for an undisclosed amount. The acquisition enhances Costa Farms’ market share and significantly extends its geographical presence
- ▶ On January 8th, **Centuria Capital Group (“Centuria”)** (ASX:CNI), an Australia-based real estate fund manager, announced that it has acquired a US\$14 million greenhouse and glasshouse facility within the Adelaide Plains, South Australia, for its open-ended unlisted **Centuria Agriculture Fund (CAF)**. The asset will expand CAF’s portfolio to four assets worth US\$232 million. Centuria will lease the assets to an operator with strong ESG credentials and expects the assets to provide relatively higher revenue through its 12 hectares of protected cropping
- ▶ On January 8th, **Cosan SA (“Cosan”)**, a Brazil-based producer of bioethanol, sugar and energy, announced that it is creating a 50:50 joint venture with **Nuveen Natural Capital**, a US-based farmland and timberland investment specialists, an arm of the **Teachers Insurance and Annuity Association of America (“TIAA”)**, for US\$820 million. The deal will create a new entity named **Radar Gestão de Investimentos**, where each side will own half of the business and manage assets valued at more than US\$3.7 billion

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		
Farmland Partners Inc.	537	1,080	18.5x	19.4x	26.9x	28.8x	2.8 %	(13.4)%
Gladstone Land Corporation	507	1,063	11.7x	11.3x	14.1x	13.8x	2.3 %	(30.2)%
Local Bounti Corporation	17	275	9.3x	4.0x	neg	neg	32.7 %	(84.5)%
Hydrofarm Holdings Group, Inc.	45	202	0.9x	0.9x	nmf	19.5x	5.3 %	(55.9)%
Village Farms International, Inc.	94	141	0.4x	0.3x	12.3x	9.5x	(4.1)%	(32.3)%
Mean			8.1x	7.2x	17.8x	17.9x	7.8 %	(43.3)%



News Scan

- ▶ On January 31st, **Reuters** reported the escalating protest movement among European farmers in France leading up to the EU summit. The farmers seek to compel governments to relax environmental regulations and protect them from increasing costs, burdensome taxes, and unfair competition, particularly from Ukraine
- ▶ On January 26th, **The Western Producer** reported that Canada is importing canola from Europe as Canadian canola is US\$45 per tonne higher than other major exporters. Experts forecast that Canada is at risk of losing market share to Australia, Ukraine and South America if prices continue to remain high
- ▶ On January 26th, **FoodBev** reported that the UK has formally suspended trade talks with Canada after it had been pushing the UK to relax its ban on hormone-treated beef. The two nations have been negotiating for the last two years, with trade continuing under the old arrangements brokered when the UK was a member of the EU
- ▶ On January 24th, **Reuters** reported that the Bank of Canada (“BoC”) held its key overnight rate at 5% and said that while underlying inflation was still a concern, the bank's focus is shifting to when to cut borrowing costs as supposed to hiking rates
- ▶ On January 23rd, the **U.S. Department of Agriculture (“USDA”)** Secretary Tom Vilsack announced that the USA is investing US\$207 million in renewable energy and domestic fertilizer projects across 42 states. This investment will lower energy bills, create jobs, generate new income and strengthen competition for US farmers, ranchers and agricultural producers
- ▶ On January 22nd, **Bloomberg** reported that shares of ADM plunged 24%, the most on record, after the US agricultural trading giant suspended its chief financial officer and cut its earnings outlook pending an investigation into its accounting practices
- ▶ On January 18th, **US News** reported that wheat shipments via the Suez Canal fell by almost 40% in the first half of January to 0.5 million metric tons due to attacks in the Red Sea and Gulf of Aden, according to the World Trade Organization
- ▶ On January 16th, **The Globe and Mail** reported that Canada’s abnormally dry winter is worsening drought conditions across the western provinces, where most of the country’s oil, gas, forest products and grain are produced. As of Dec. 31, 70% of the country was abnormally dry or in drought, according to Agriculture Canada, with the worst conditions in southern Alberta, western Saskatchewan and north-central British Columbia
- ▶ On January 12th, **Reuters** reported that container shipping rates for key global trade routes have soared with US and UK air strikes on Yemen stirring fears of a prolonged disruption to global trade in the Red Sea, one of the world's busiest routes. The benchmark Shanghai Containerized Freight Index was up over 16% week-on-week to 2,206 points
- ▶ On January 9th, **The Globe and Mail** reported that after 30 consecutive years of growth, Canadian farmland values increased again in 2023 and are forecast to rise in 2024, according to Farm Credit Canada (“FCC”), a Crown corporation that monitors land sales. Farmland values across Canada rose by approximately 8% in 2023, compared to 12.8% in 2022, according to FCC figures
- ▶ On January 8th, **Food Ingredients 1st** reported that world food commodity prices in 2023 ended about 10% below the level in 2022, with the most notable decrease observed in international sugar quotations. According to the UN FAO’s Food Price Index, the average index value stood at 118.5 points in December 2023, a 1.5% decline from November and a 10.1% decrease compared to December 2022

Commodities Futures as of January 31st, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.48	(4.88)%	(34.18)%
Wheat (CBOT)	\$ per bu.	\$5.95	(5.21)%	(21.65)%
Oats (CBOT)	\$ per bu.	\$3.83	(0.84)%	(2.67)%
Rough Rice (CBOT)	\$ per cwt.	\$17.87	1.97 %	0.11 %
Rapeseed (Canola) (ICE)	CAD per T	\$610.40	(6.58)%	(26.20)%
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.

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