

February 2024

Industry Highlights on

# Food & Agriculture

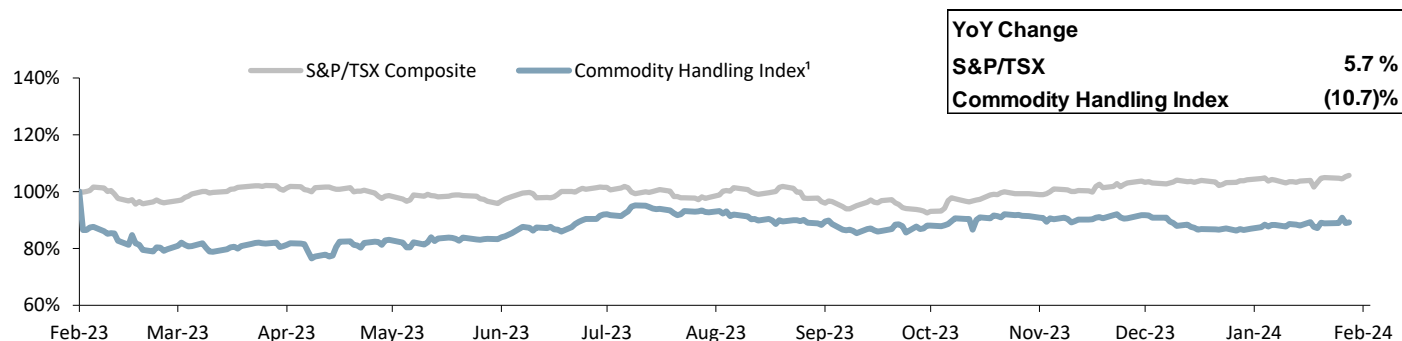


*Leading Independent North American Financial Advisor  
to the Food & Agriculture Sector*

## News Scan

- ▶ On February 14<sup>th</sup>, **Benson Hill, Inc. ("Benson Hill")** (NYSE: BHIL), a US-based food ingredients company, announced that it has divested its Creston, Iowa, food grade soy processing business, to **White River Soy Processing, LLC ("White River")**, a US-based developer and operator of oilseed processing plants, for US\$72 million. This transaction will help Benson Hill transition back to an asset-light business model and complement White River's facility in Seymour, Indiana while also expanding its product offering into the food grade market
- ▶ On February 12<sup>th</sup>, **Ceres Global Ag Corp. (TSX: CRP)**, a Canada-based agricultural, energy and industrial products merchandising and supply chain company, announced that it has entered into an exclusive agreement with **Grupo Trimex**, Mexico's largest flour miller, to collaboratively develop and execute regenerative agriculture initiatives. The primary focus of the collaboration is to reduce greenhouse gas emissions while improving biodiversity and water quality
- ▶ On February 9<sup>th</sup>, **P&H Milling Group**, a division of **Parrish & Heimbecker Ltd. ("P&H")**, a Canada-based agribusiness involved in grain merchandising, crop inputs, flour milling, and feed mills, announced that it has agreed to undergo a significant expansion at its Hamilton, Ontario facility, to include two new storage silos and construct a third flour mill. This expansion will reinforce P&H's commitment to the ever-growing demands of the baking industry
- ▶ On February 8<sup>th</sup>, **Delo Group**, a Russia-based provider of sea grain transshipment and rail transportation of containers, announced that it has completed its acquisition of the remaining 25% stake in **JSC KSK Grain Terminal**, Russia's largest deep-sea terminal in terms of volumes of grain transshipment, from **Cargill**, a US-based global food conglomerate, for an undisclosed amount. Following this transaction, Delo Group plans to expand the terminal's capacity to 10 million tonnes in the coming years
- ▶ On February 5<sup>th</sup>, **Agtegra Cooperative ("Agtegra")**, a local agricultural cooperative headquartered in Aberdeen, South Dakota, announced that it has entered into an agreement with **Aurora Cooperative Elevator Company**, a Nebraska cooperative, to acquire its two South Dakota agronomy locations at Mitchell and Tyndall, for an undisclosed amount. The acquisition will allow Agtegra to serve its customers more efficiently and expand into new markets that complement its current footprint and offerings

## Relative Performance Index



## Key Indicators

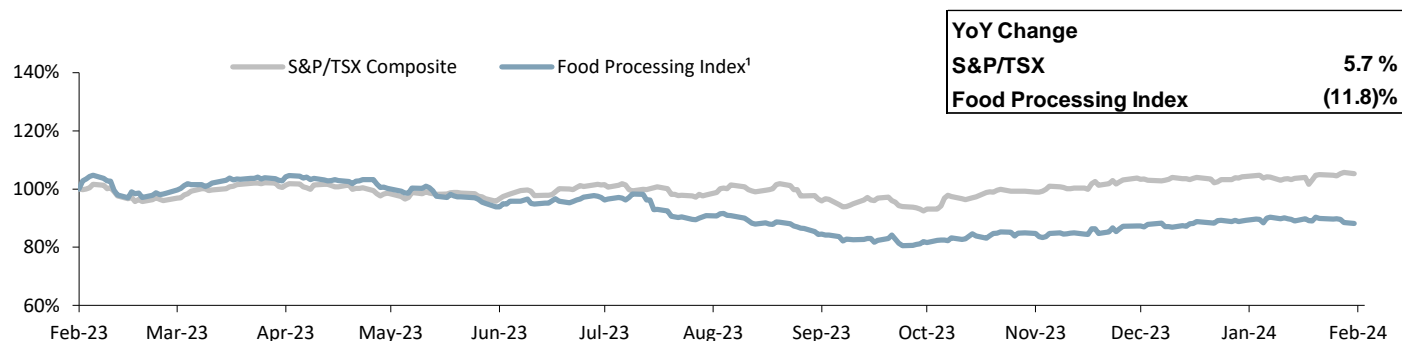
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	28,360	37,327	6.1x	6.2x	9.1x	9.1x	(2.1)%	(39.1)%
Bunge Limited	13,541	17,234	6.1x	6.5x	8.2x	8.9x	2.8 %	(20.1)%
The Andersons, Inc	1,775	2,172	6.2x	5.1x	19.1x	12.8x	(3.2)%	(10.2)%
Graincorp Limited	1,126	1,465	7.3x	7.7x	19.0x	17.3x	4.3 %	(11.5)%
Ceres Global Ag	61	123	na	na	na	na	(0.7)%	(12.8)%
<b>Mean</b>			<b>6.4x</b>	<b>6.4x</b>	<b>13.8x</b>	<b>12.0x</b>	<b>0.2 %</b>	<b>(18.7)%</b>

## News Scan

- ▶ On February 26<sup>th</sup>, **Protein Industries Canada**, one of Canada's five Global Innovation Clusters, announced that it has committed to provide R&D funding to **Avena Foods**, a Canada-based specialty miller, for a total budget of C\$19.2 million, with C\$7.3 million already allocated. This funding is expected to assist Avena Foods in developing new oat and pulse ingredients that will be utilized by leading CPG brands such as Big Mountain Foods, Danone Canada and Old Dutch, further addressing the growing demand for sustainable and nutritious plant-based ingredients
- ▶ On February 26<sup>th</sup>, **Rogers Sugar (TSX:RSI)**, a Canada-based sugar processing company, announced that it has launched an equity offering at an offering price of C\$5.18 per common share, for a total consideration of C\$110 million. The proceeds will be used to increase production capacity at the Montreal plant operated by **Lantic**, a wholly owned subsidiary of Rogers Sugar, and service the Eastern Canada market
- ▶ On February 13<sup>th</sup>, **Miami Beef Company ("Miami Beef")**, a US-based provider of fresh and frozen meat products to retail and foodservice customers, announced that it has acquired **Hofmann Sausage Company**, a US-based sausage and hot dog brand, for an undisclosed amount. The transaction will add hot dogs and sausages to Miami Beef's hamburger offerings, further diversifying its product portfolio
- ▶ On February 9<sup>th</sup>, **Better Choice Company ("Better Choice") (NYSE: BTTR)**, a US-based pet health and wellness company, announced that it has acquired **Aimia Pet Healthco Inc.**, a Canada-based provider of pet health research and development services, for an undisclosed amount. Through this acquisition, Better Choice intends to enter the GLP1 pet market and support weight loss in domestic animals
- ▶ On February 7<sup>th</sup>, **Cargill** announced that it has acquired two case-ready meat plants in North Kingstown, Rhode Island, and Camp Hill, Pennsylvania, from **Ahold Delhaize**, a Netherlands-based food retailer, for an undisclosed amount. The deal will expand Cargill's production and distribution of supermarket case-ready beef and pork to retailers located in Northeast US
- ▶ On February 7<sup>th</sup>, **Solina Group ("Solina")**, a France-based provider of tailor-made ingredient solutions for clients in the food, foodservice, butchery and nutrition sectors, announced that it has entered into an agreement to acquire **Nestlé's Nordic Professional Premium Culinary** business, which includes the brands **OSCAR** and **PULJONKI**, as well as two factories located in Denmark and Finland, for an undisclosed amount. The acquisition will bring an infusion of culinary sauce and other liquid solutions into Solina's offerings
- ▶ On February 1<sup>st</sup>, **Ingredion Incorporated ("Ingredion") (NYSE: INGR)** announced that it has completed the sale of its business in South Korea to an affiliate of the **Sajo Group**, a South Korea-based food company, for US\$294 million. This divestiture is part of Ingredion's efforts to focus on other growth areas that better support its long-term strategic vision

## Relative Performance Index



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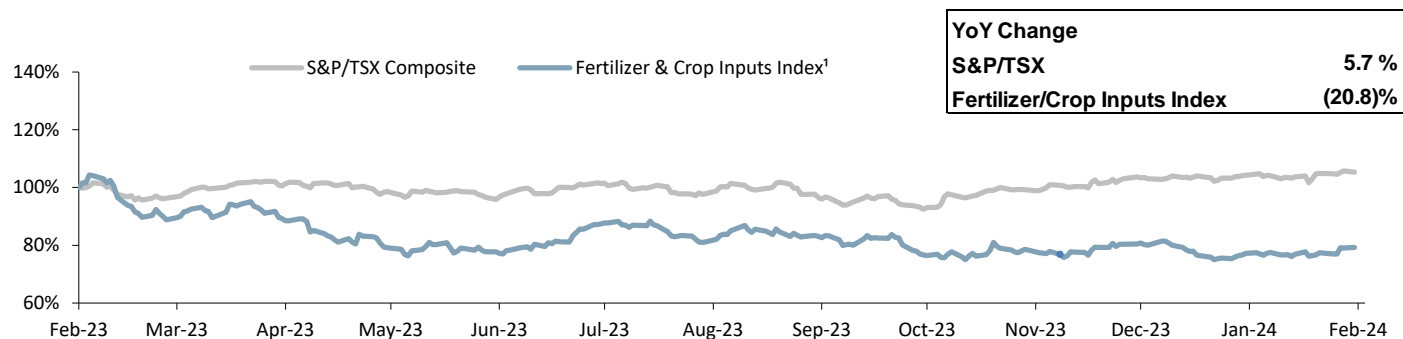
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	8,830	11,467	9.2x	7.7x	15.8x	12.5x	(0.5)%	(24.0)%
Ingredion Incorporated	7,515	9,415	7.8x	7.5x	11.9x	11.1x	(0.3)%	(1.5)%
Premium Brands	2,951	4,885	9.4x	8.2x	16.4x	13.0x	(2.9)%	(20.9)%
Maple Leaf Foods Inc.	2,051	3,516	8.3x	7.0x	23.5x	13.3x	(12.6)%	(28.5)%
Tate & Lyle plc	3,023	3,694	7.8x	7.3x	10.6x	9.8x	(3.1)%	(28.4)%
SunOpta Inc.	710	1,193	13.5x	10.1x	48.0x	na	(1.2)%	(32.1)%
Rogers Sugar	429	669	7.2x	6.9x	12.0x	11.0x	(2.7)%	(14.0)%
High Liner Foods Incorporated	306	419	5.8x	5.3x	7.5x	6.5x	5.1%	(20.9)%
<b>Mean</b>			<b>8.6x</b>	<b>7.5x</b>	<b>18.2x</b>	<b>11.0x</b>	<b>(2.3)%</b>	<b>(21.3)%</b>

## News Scan

- On February 26<sup>th</sup>, **South Harz Potash Limited ("South Harz") (ASX:SHP)**, an Australia-based company that specializes in the development of potash mining projects in Germany, announced that it has executed a non-binding memorandum of understanding (MoU) with **Euroports Germany GmbH & Co. KG and Euroports Belgium NV.**, one of the largest port handling company in Rostock's overseas port and its affiliate. The MoU is anticipated to involve discussions aimed at establishing a potential long-term agreement for storing, handling, and exporting potash products from South Harz through one of Euroports' operated facilities to markets such as North America and Brazil
- On February 22<sup>nd</sup>, **thyssenkrupp Uhde Egypt ("thyssenkrupp Uhde")**, one of the world's leading engineering companies in the design and construction of chemical plants, announced that it has signed an agreement with Egypt-based **Delta Company for Fertilizer and Chemical Industries** to revamp the existing ammonia plant complex located in Dakahlia, Talkha, Egypt. thyssenkrupp Uhde will provide engineering solutions and technology for the production of ammonia and urea while increasing the plant's capacity from 1,275 tonnes per day to 1,400 tonnes per day to facilitate the growth of the agricultural sector in the country
- On February 12<sup>th</sup>, **Fotoniq Technologies B.V. ("Fotoniq")**, a Netherlands-based provider of a sprayable PAR+ coating that creates optimal daylight conditions inside greenhouses, announced that it has closed its latest investment round led by **Navus Ventures** and **Icos Capital**, and supported by existing shareholders **Phase2.earth** and **EG Wernink**, for an undisclosed amount. The current fundraising round will allow Fotoniq to scale up both its production capabilities and market roll-out strategies
- On February 7<sup>th</sup>, **Paradeep Phosphates**, an India-based provider of complex fertilizers, announced that it has entered into a definitive agreement to acquire **Mangalore Chemicals & Fertilizers Limited**, an India-based provider of nitrogenous and phosphatic fertilizers, for US\$198 million. The transaction is aimed at enhancing the market position of the firms and reaping the benefits of economies of scale

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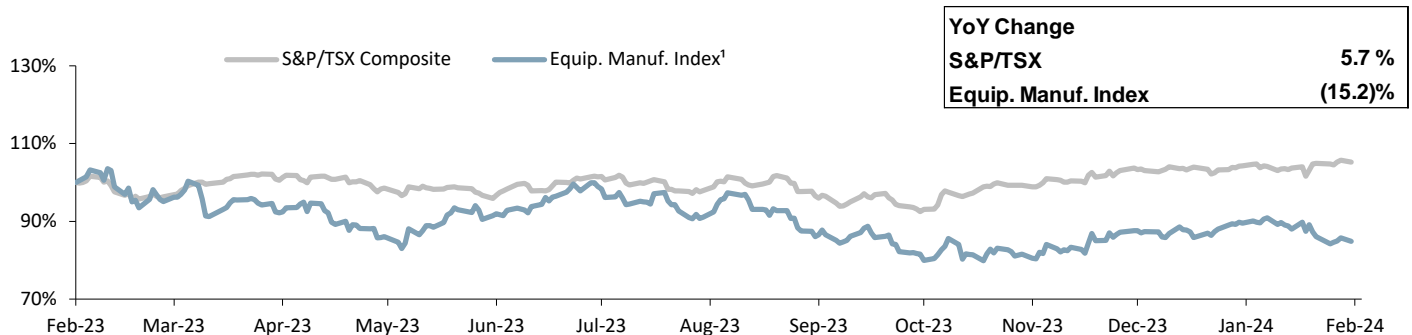
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Nutrien Ltd.	26,470	38,623	6.6x	6.5x	13.0x	12.0x	6.6 %	(36.1)%
CF Industries Holdings, Inc.	15,150	19,081	7.7x	8.0x	12.7x	12.7x	4.7 %	(8.5)%
The Mosaic Company	10,178	14,055	5.4x	5.5x	10.6x	10.7x	5.0 %	(44.9)%
Yara International ASA	8,309	12,018	5.5x	5.3x	nmf	nmf	(2.4)%	(31.0)%
Nufarm Ltd.	1,429	2,157	6.7x	6.0x	15.4x	11.7x	3.6 %	(6.8)%
<b>Mean</b>			<b>6.4x</b>	<b>6.3x</b>	<b>12.9x</b>	<b>11.8x</b>	<b>3.5 %</b>	<b>(25.5)%</b>

## News Scan

- ▶ On February 26<sup>th</sup>, **Haraeus**, a German technology group focused on precious and special metals technology, announced that it has invested an undisclosed amount in **Tsubame BHB**, a Japanese ammonia startup with a proprietary technology for decentralized ammonia production. This technology will complement Haraeus' scouting of sustainable, precious metal-based technologies and help expand their footprint in Japan
- ▶ On February 20<sup>th</sup>, **Trace Genomics ("Trace")**, a US-based provider of DNA-based soil intelligence, announced that it has successfully closed its Series B financing round led by existing investors **S2G Ventures** and **Ajax Strategies**, as well as new investor **Rabo Ventures**, for US\$10.5 million. With this additional funding, Trace will focus on expanding its commercial presence by making its product offerings available to more farmers and agronomists
- ▶ On February 5<sup>th</sup>, **ProducePay**, a US-based agtech company developing a Predictable Commerce Platform, announced that it has completed its Series D financing round led by **Syngenta Group Ventures**, the venture capital arm of **Syngenta Group**, with additional participation from **CF Private Equity** and existing investors **G2 Venture Partners**, **Anterra Capital**, **Astanor Ventures** and **others**, for US\$38 million. The funding will be used to accelerate ProducePay's growth and expand its sustainability impact worldwide
- ▶ On February 2<sup>nd</sup>, **Fall Creek Farm & Nursery**, a US-based blueberry genetics and nursery company, announced that it has completed a strategic minority investment in **FineField**, a Netherlands-based blueberry tech solution company, for an undisclosed amount. The investment will focus on advancing FineField's mechanical blueberry harvesting technology
- ▶ On February 1<sup>st</sup>, **Saga Robotics**, a Norway-based developer of AI-powered robots for agriculture, announced that it has successfully raised US\$11.5 million in growth capital from existing shareholders, **Nysnø Climate Investment**, **Aker**, **Rabo Ventures**, **Hatteland**, **Melesio Capital** and **Sanden**, and new shareholders **Songa Investments**, which is part of **Blystad Group** and **MP Pension**. The new capital will be used to position Saga Robotics for growth in American vineyards, continue rapid expansion and strengthen its leading position in British strawberry farms, and develop new tools and data services

## Relative Performance Index



## Key Indicators

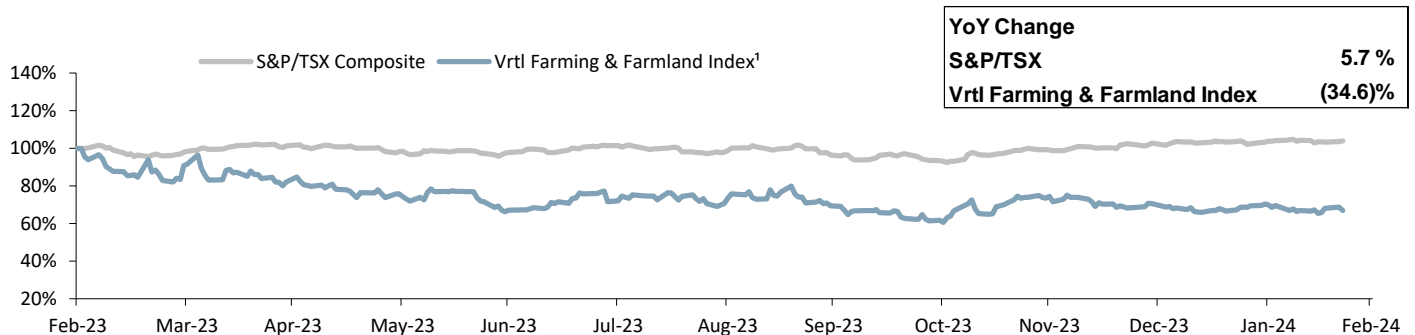
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	101,695	160,959	14.5x	13.9x	13.5x	12.7x	(0.4)%	(19.3)%
CNH Industrial N.V.	15,472	39,550	13.9x	13.8x	7.8x	7.5x	(2.8)%	(29.6)%
AGCO Corporation	8,054	9,201	4.9x	4.8x	7.6x	8.4x	(2.7)%	(26.1)%
Ag Growth International Inc.	782	1,454	6.4x	6.0x	9.6x	8.5x	(4.7)%	(12.2)%
<b>Mean</b>			<b>9.9x</b>	<b>9.6x</b>	<b>9.6x</b>	<b>9.3x</b>	<b>(2.0)%</b>	<b>(25.0)%</b>

## News Scan

- On February 28<sup>th</sup>, **Oishii**, a US-based vertical farming company, announced that it has completed its Series B financing round led by Japanese telecom giant **NTT** with participation from other blue-chip strategic and financial sponsors, for US\$134 million. Oishii is expected to use the funds to open a solar-powered vertical farming facility, expand into new markets and invest in R&D projects around breeding, robotics and automation
- On February 15<sup>th</sup>, **Regenerate Asset Management**, a UK-based, specialized climate impact investment manager, announced that it has finalized its inaugural investment to create a scaled blueberry business in Central and Southern Portugal – newly launched as **Regen Blue**, for US\$43.2 million funded through its **Regenerate European Sustainable Agriculture Fund**. This transaction will expedite Regenerate's primary objective of making significant and immediate environmental improvements while also delivering returns to investors
- On February 15<sup>th</sup>, **NatureSweet**, a US-based vertically integrated Controlled Environment Agricultural (CEA) company and portfolio company of **Blue Road Capital**, a US-based investment firm focused on vertically integrated food and agricultural business, announced that it has added another location to their portfolio of greenhouse facilities and has begun planting and growing produce in Bonita, Arizona, for US\$5 million. The investment will stimulate economic growth in a rural, underserved area of southern Arizona, fostering sustainable development and opportunities for local communities
- On February 14<sup>th</sup>, **Hippo Harvest**, a US-based CEA startup developing advanced greenhouse systems that produce sustainably-grown produce, announced that it has completed its Series B financing round led by **Standard Investments** with participation from **Amazon's Climate Pledge Fund** and others, for US\$21 million. The funding will be used to scale the company's greenhouse operations and to expand its product offerings into new categories of leafy greens
- On February 12<sup>th</sup>, **Rest**, an Australia-based profit-to-member superannuation fund, announced that it has expanded its impact investment and strategic alternatives allocations through an investment in the agriculture-focused **Cibus Fund II**, which is advised by **Cibus Capital LLP**, a UK-based investment firm focusing on food and agribusinesses, for an undisclosed amount. The investment will diversify Rest's alternatives portfolio while growing its exposure in the dynamic agricultural sector

## Relative Performance Index



## Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
			2024E	2025E	2024E	2025E	Price	52Wk High
Farmland Partners Inc.	527	1,070	19.2x	18.6x	28.4x	25.5x	(2.3)%	(15.9)%
Gladstone Land Corporation	463	1,028	10.9x	10.2x	13.6x	12.9x	(4.8)%	(27.7)%
Local Bounti Corporation	21	279	4.1x	2.2x	neg	nmf	2.0 %	(76.0)%
Hydrofarm Holdings Group, Inc.	40	197	0.9x	0.8x	19.0x	12.9x	(1.3)%	(57.4)%
Village Farms International, Inc.	86	133	0.3x	0.3x	9.3x	5.3x	3.8 %	(30.8)%
<b>Mean</b>			<b>7.1x</b>	<b>6.4x</b>	<b>17.6x</b>	<b>14.2x</b>	<b>(0.5)%</b>	<b>(41.6)%</b>

## News Scan

- ▶ On February 26<sup>th</sup>, **The Western Producer** reported that managed money has been “massively short” in the grain market but indicated that the bear run could be coming to an end. Commodity traders believe grain markets could start stabilizing in March as the market shifts focus from South America to North America, where there are troubling signs heading into spring seeding
- ▶ On February 22<sup>nd</sup>, **The Western Producer** reported that the fate of Bill C-234, a bill that removes the carbon tax on natural gas, propane for drying grain and heating and cooling barns and greenhouses for the next eight years, remains unknown as debate in the House of Commons continue. The Parliamentary Budget Office revealed that the bill would save farmers ~\$978 million if it had been implemented fully, as the House of Agriculture Committee recommended. However, the Senate amended the bill to remove the exemption of buildings and shorten the period from eight to three years, costing farmers nearly \$910 million relative to the unamended bill
- ▶ On February 22<sup>nd</sup>, **The US Environmental Protection Agency** announced that farmers can use some existing supplies of herbicides based on the chemical dicamba despite a recent federal court ruling that halted their use as they can damage other crops that are not resistant to the chemical. This ruling uplift is expected to successfully benefit Bayer as their soybeans that resist dicamba-based herbicide are the second most-planted soybeans in the US
  - On February 7<sup>th</sup>, **The Western Producer** reported that a US court has nullified the government’s latest approvals of certain agricultural herbicides sold by Bayer, BASF and Syngenta, fueling uncertainty among farmers who spray the products on soybeans and cotton genetically modified to resist them. Environmental activists cheered the court for halting use of the dicamba-based herbicides, which are known to drift away and damage crops that cannot tolerate the chemical
- ▶ On February 20<sup>th</sup>, **Reuters** reported that US Agriculture Secretary Tom Vilsack said he was confident that expanded sales of gasoline with higher blends of ethanol would be available across the country in 2025. He added that, until then, the administration would likely issue temporary waivers this summer to enable such sales as needed
- ▶ On February 18<sup>th</sup>, **The Globe and Mail** reported that the Canadian farming sector is estimated to have achieved record-breaking incomes in 2023 despite droughts, extreme weather and global conflict, as the industry’s net cash income is expected to have surged by 13% to a new record of \$24.8 billion. However, this trend could reverse in 2024, according to an Agriculture and Agri-Food Canada (AAFC) report.
- ▶ On February 15<sup>th</sup>, **Reuters** reported that Ukrainian President Volodymyr Zelenskiy signed into law a bill legalizing the medical use of cannabis. The restriction on selling or supplying cannabis for recreational use would remain in effect
- ▶ On February 13<sup>th</sup>, **Reuters** reported that farms in the US continued to get larger and the number of farms decreased between 2017 and 2022, according to the latest data released by the US Department of Agriculture. In 2022, there were 1.9 million US farms, down ~7% from 2.04 million in 2017, while the average farm size rose from 441 acres to 463 acres within the same period, indicating a consolidation strategy in the industry
- ▶ On February 6<sup>th</sup>, **The Globe and Mail** reported that the European Union’s executive arm shelved an anti-pesticide proposal in yet another concession to farmers after weeks of protests that blocked many capitals and economic lifelines across the 27-nation bloc
- ▶ On February 2<sup>nd</sup>, **Food Ingredients 1<sup>st</sup>** reported that world food commodity prices fell further in January, led by declines in the prices of cereals and meat which more than offset an increase in sugar prices, according to the Food and Agriculture Organization (FAO) of the United Nations. The FAO Food Price Index averaged 118 points in January, down 1% from December 2023 and 10.4% from its corresponding value a year ago

## Commodities Futures as of February 29<sup>th</sup>, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.30	(4.08)%	(32.44)%
Wheat (CBOT)	\$ per bu.	\$5.76	(4.83)%	(18.84)%
Oats (CBOT)	\$ per bu.	\$3.71	(1.59)%	10.58 %
Rough Rice (CBOT)	\$ per cwt.	\$18.29	0.61 %	4.37 %
Rapeseed (Canola) (ICE)	CAD per T	\$593.70	(3.23)%	(27.47)%
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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