

March 2024

Industry Highlights on

Food & Agriculture

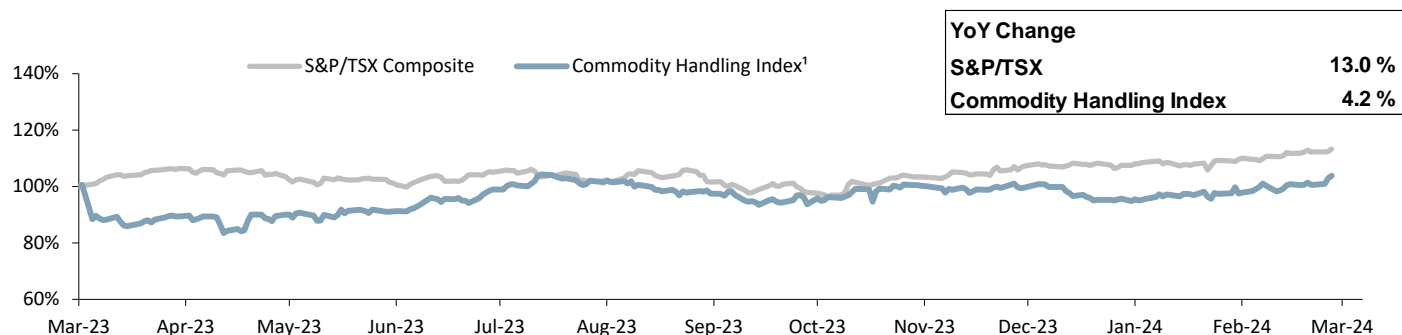


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On March 26th, **Weskan Grain LLC**, a US-based grain handling company and division of the **Soloviev Group**, announced that it has entered into an agreement to acquire the assets and operations of **Stockholm Grain LLC**, a US-based grain facilities operator. The transaction will add four new locations for Weskan Grain and its shortline Colorado Pacific Railroad, which serves farmers in western Kansas and eastern Colorado
- ▶ On March 26th, **Repsol S.A. ("Repsol") (BME: REP)**, a Spanish multinational energy and petrochemical company, announced that it has entered into a partnership with **Bunge Global SA ("Bunge") (NYSE: BG)**, a global agribusiness, to acquire a 40% ownership stake in three industrial facilities of **Bunge Iberica**, one of Bunge's subsidiaries, for total consideration of US\$340 million. The strategic partnership is expected to develop opportunities to help meet the growing demand for lower carbon intensity feedstocks for the production of renewable fuels
 - On March 4th, **Bunge** and **Chevron (NYSE: CVX)** announced the approval of a final investment decision for their joint venture, Bunge Chevron Ag Renewables LLC, to build a new oilseed processing plant adjacent to its existing processing facility located on the Gulf Coast in Destrehan, Louisiana. The processing facility is expected to support the growing feed and protein markets through the production of meal products
- ▶ On March 20th, **Cherkizovo Group ("Cherkizovo") (MOEX: GCHE)**, Russia's largest meat producer, announced the completion of a deal to buy **Venta-Oil**, the owner of a feed mill and an elevator in Orenburg, Russia, for an undisclosed amount. The acquisition is designed to enhance feed supplies to the Cherkizovo's pig facilities in the Orenburg region
- ▶ On March 11th, **Millborn Seeds ("Millborn")**, a US-based seed company, announced that it has acquired **Luhrs Certified Seed ("Luhrs")**, a US-based seed company, for an undisclosed amount. The acquisition will allow Renovo Seed, the go-to-market brand of Millborn, to expand its distribution network into the Western Plains and improve its accessibility of diverse seed options for farmers and ranchers in Imperial, Nebraska
- ▶ On March 5th, **Ocrim S.p.A ("Ocrim")**, an Italy-based supplier of wheat and corn milling plants, feed mills and cereal processing systems, announced that it has acquired **SIMA s.r.l. ("SIMA")**, an Italy-based company specializing in the design and construction of storage systems for cereal and finished products in the mill, for an undisclosed amount. The deal is expected to enhance Ocrim's position as a key player in the milling plants construction industry through SIMA's direct and specialized offer of complete solutions for storage plants

Relative Performance Index



Key Indicators

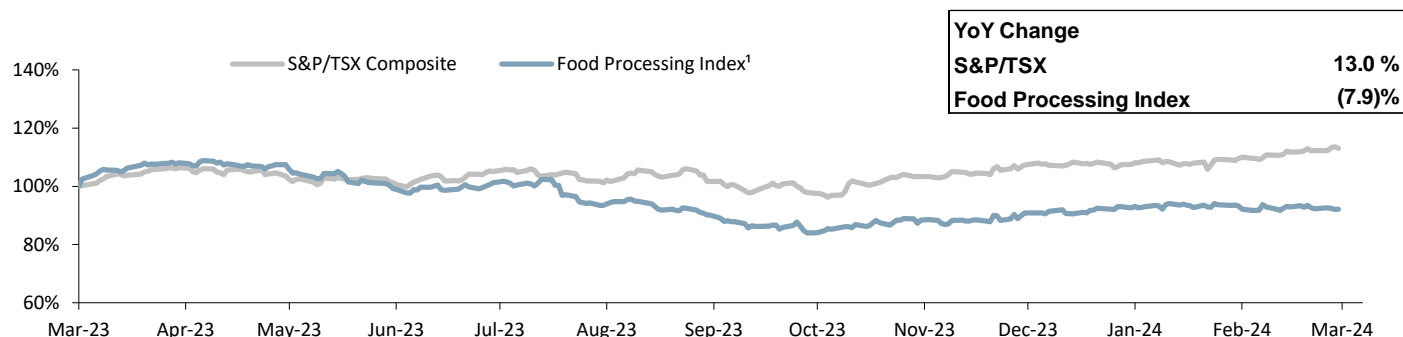
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	31,611	41,778	7.1x	7.2x	10.9x	10.8x	6.5 %	(29.0)%
Bunge Limited	14,230	18,803	6.1x	6.5x	8.2x	8.9x	5.3 %	(14.9)%
The Andersons, Inc	1,894	2,309	6.7x	5.8x	18.9x	14.4x	5.2 %	(4.8)%
Graincorp Limited	1,179	1,518	7.5x	7.9x	19.9x	18.0x	0.6 %	(7.0)%
Ceres Global Ag	64	126	na	na	na	na	2.5 %	(7.2)%
Mean			6.8x	6.9x	14.5x	13.0x	4.0 %	(12.6)%

News Scan

- ▶ On March 19th, **Roquette**, a France-based provider of plant-based ingredients and pharmaceutical excipients, announced that it has entered into an agreement with **IFF (NYSE: IFF)**, a US-based leader in food, beverage, scent, home and personal care, to acquire its **Pharma Solutions** business, which provides excipients for oral dosage solutions, for US\$2.85 billion. This acquisition is expected to enhance Roquette's US footprint and reinforce its position as a major partner to the pharmaceutical industry
- ▶ On March 17th, **BHJ**, a Denmark-based supplier of animal proteins for the international food and pet food industries and portfolio company of **The Lauridsen Group**, announced that it has acquired **Staughton Group**, one of Australia's leading pet food manufacturers, for US\$100 million. Following completion of the transaction, BHJ will expand its presence across Australia
- ▶ On March 14th, **Cal-Maine Foods, Inc. ("Cal-Maine Foods") (NASDAQ: CALM)**, the largest producer and distributor of fresh shell eggs in the US, announced that it has completed the acquisition of a broiler processing plant, hatchery and feed mill in Dexter, Missouri, from **Tyson Foods, Inc. (NYSE: TSN)**, one of the world's largest food companies, for an undisclosed amount. Following the transaction, Cal-Maine Foods plans to remodel and repurpose the assets for use in shell egg and egg products production
- ▶ On March 13th, **Peak Rock Capital ("Peak Rock")**, a US-based middle market PE firm, announced that it has completed the acquisition of **California Custom Fruits & Flavors ("CCFF")**, a leading developer and manufacturer of custom-formulated specialty ingredients and flavors, for an undisclosed amount. The acquisition represents Peak Rock's fourteenth platform investment in the food, beverage and consumer industry and will accelerate CCFF's growth trajectory
- ▶ On March 11th, **Serenity Kids**, a US-based shelf-stable pouched baby food brand, announced that it has closed a US\$52 million minority investment and partnership with **Stride Consumer Partners LLC ("Stride")**, a US-based growth-equity investment firm focused on consumer brands and services. The capital from Stride will fuel investment within key areas of Serenity Kids' business, namely marketing, talent, and innovation
- ▶ On March 8th, **SAMBAZON**, a US-based provider of organic and Fair Trade certified Açaí, announced that it has acquired the frozen **Açaí and Smoothie bowl** business of **SunOpta (TSX: SOY)**, a US-based manufacturer of natural, organic and specialty food products, for an undisclosed amount. The strategic acquisition will double SAMBAZON's production capabilities in the US and expand its bowl portfolio with new dry toppings, savory toppings and organic fruit inclusions

Relative Performance Index



Key Indicators

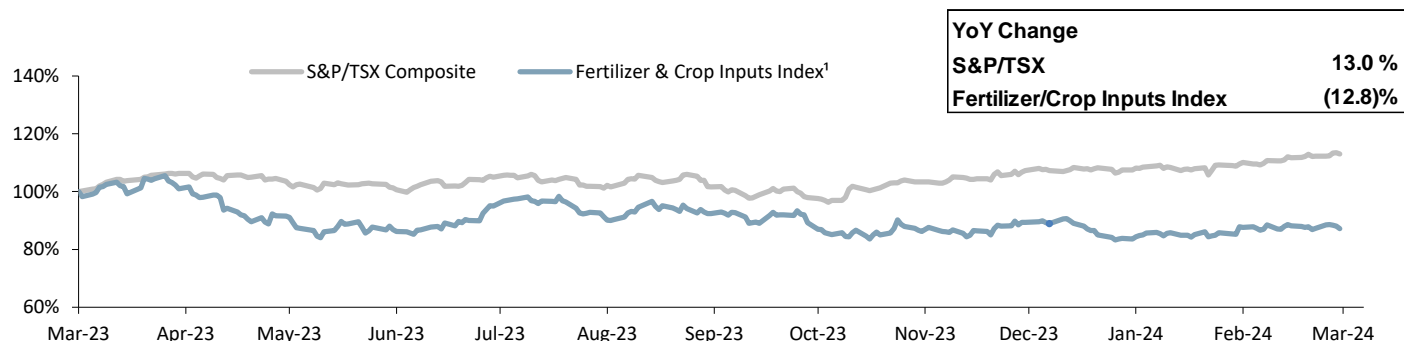
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	8,107	10,727	8.7x	7.3x	14.6x	11.7x	(0.4)%	(29.2)%
Ingredion Incorporated	7,679	9,586	8.0x	7.6x	12.2x	11.4x	1.5 %	(1.4)%
Premium Brands	2,863	4,779	9.6x	8.6x	17.2x	13.5x	(3.1)%	(22.8)%
Tate & Lyle plc	3,009	3,676	7.9x	7.4x	10.6x	9.9x	1.4 %	(28.3)%
Maple Leaf Foods Inc.	2,096	3,554	8.5x	7.1x	24.2x	13.7x	0.9 %	(26.4)%
SunOpta Inc.	759	1,187	13.2x	11.1x	nmf	25.0x	(4.9)%	(23.1)%
Rogers Sugar	509	742	8.1x	7.9x	12.2x	12.0x	2.9 %	(15.6)%
High Liner Foods Incorporated	306	416	5.9x	5.3x	7.4x	6.0x	(3.1)%	(20.5)%
Mean			8.7x	7.8x	14.1x	12.9x	(0.6)%	(20.9)%

News Scan

- On March 19th, **Certis Biologicals ("Certis")**, a US-based provider of biological pesticides and subsidiary of **Mitsui & Co.**, a Japan-based investment and trading company, announced that it has acquired the powerful and market-tested fungicides **Howler** and **Theia** from **AgBiome**, a US-based developer and seller of proprietary crop protection solutions, for an undisclosed amount. The acquired assets will complement Certis' existing portfolio of biofungicides, including Double Nickel, and its newest product for large-acre crops, Convergence
- On March 14th, **Kuehnle AgroSystems ("KAS")**, a US-based microalgal innovation and production company, announced that it has successfully closed a US\$3 million Series A2 funding round led by **S2G Ventures**, a US-based early-stage investor focused on the food, agriculture, oceans, and clean energy markets. The funding will accelerate the commercialization of KAS's pioneering method for producing natural astaxanthin from microalgae, a key component in sustainable aquaculture systems as well as a clinically proven human nutraceutical
- On March 14th, **Locus Fermentation Solutions ("Locus")**, a US-based developer of ag biologicals and biosurfactants, announced that it has raised US\$30 million in new debt financing from a group of undisclosed investors, bringing its cumulative funding to over US\$250 million. The capital raise will help Locus with its strategic realignment
- On March 11th, **L'Air Liquide S.A. (ENXTPA:AI)**, a France-based provider of gases, technologies and services for industry and healthcare, and **Koninklijke Vopak N.V. (ENXTAM:VPK)**, a Netherlands-based provider storage and infrastructure solutions, announced that they have signed a MoU to collaborate on the development and operation of infrastructure for ammonia import, cracking and hydrogen distribution in Singapore. This collaboration aims to support Singapore's National Hydrogen Strategy, focusing at driving advanced hydrogen technologies with high commercial readiness to establish low-carbon hydrogen supply chains
- On March 8th, **Yara Growth Ventures**, the VC arm of **Yara International ASA ("Yara") (OB:YAR)**, announced that it has completed an undisclosed investment in Dynelectro, a Denmark-based developer of solid oxide electrolysis (SOE) technology. The investment is expected to decarbonize fertilizer production and enable the hydrogen economy

Relative Performance Index



Key Indicators

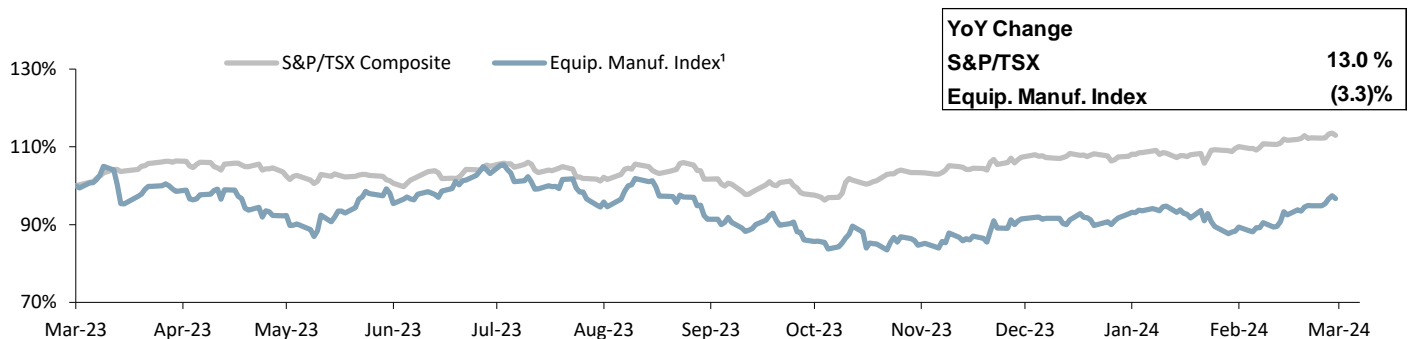
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Nutrien Ltd.	25,847	37,994	6.5x	6.4x	13.1x	11.9x	(1.1)%	(29.8)%
CF Industries Holdings, Inc.	15,705	19,639	8.0x	8.2x	13.2x	13.4x	(0.3)%	(4.8)%
The Mosaic Company	10,030	14,306	5.5x	5.8x	10.4x	10.8x	(1.4)%	(36.3)%
Yara International ASA	8,131	11,843	5.5x	5.3x	nmf	nmf	3.8 %	(26.5)%
Nufarm Ltd.	1,350	2,076	6.5x	5.8x	14.6x	11.1x	1.1 %	(11.7)%
Mean			6.4x	6.3x	12.8x	11.8x	0.4 %	(21.8)%

News Scan

- ▶ On March 20th, **Ever.Ag**, a US-based provider of agricultural technology solutions, announced that it has acquired **Adapt-N**, a US-based developer of a precision nitrogen management software, from **Yara International ASA (OB:YAR)**, for an undisclosed amount. The acquisition will expand Ever.Ag's FieldAlytics platform and allow farmers to fine-tune their nitrogen application
- ▶ On March 19th, **John Deere (NYSE: DE)**, **Kinze Manufacturing ("Kinze")**, and **Ag Leader Technology ("Ag Leader")** announced that they have entered into a collaboration agreement to assist farmers with integrating each company's equipment and technology solutions into their farming operation. As part of the agreement, farmers operating Kinze and Ag Leader planting and display products will now have the option to seamlessly integrate their agronomic data into the John Deere Operations Center
- ▶ On March 18th, **Cultura Technologies**, a US-based agri-food software company and subsidiary of **Volaris Group**, a Canada-based buy-and-hold acquirer of software businesses, announced that it has acquired **Agiboo BV**, a Netherlands-based commodity trade and risk management (CTRM) solution provider, for an undisclosed amount. The acquisition is expected to enhance Cultura's global reach in the trading of sugar, coffee, cocoa, grain and oilseed
- ▶ On March 13th, **Husqvarna Group**, a Sweden-based designer and manufacturer of products and solutions for managing forests, parks, and gardens, announced that it has signed an agreement with **Rivulis Irrigation**, an Israel-based provider of micro-irrigation solutions, to acquire its **ET Water** smart irrigation platform, for an undisclosed amount. The transaction will expand Husqvarna Group's commercial offering in the North American market
- ▶ On March 12th, **Treetoscope**, an Israel-based precision irrigation management startup, announced the extension of its latest seed fundraising round with additional investments from **Stray Dog Capital**, **ECG**, and **The Food Tech Lab**, alongside other strategic investors including **Leon Recanati**, **GlenRock fund**, **SeedIL**, **YYM-Ventures**, **Agrovision**, **NEOME**, **GN-Z11**, and **Earth.vc**, bringing the total proceeds to over US\$7 million. The funds are earmarked for R&D and accelerating the commercial agriculture expansion across North America
- ▶ On March 1st, **NXT Bioscience ("NXT")**, an Australia-based developer of tissue culture technology, announced that it has acquired **Lowes TC**, an Australia-based developer of tissue culture technology, for an undisclosed amount. Upon completion of the transaction, NXT will enhance its efficiency and sustainability in agricultural practices through advanced tissue culture technologies

Relative Performance Index



Key Indicators

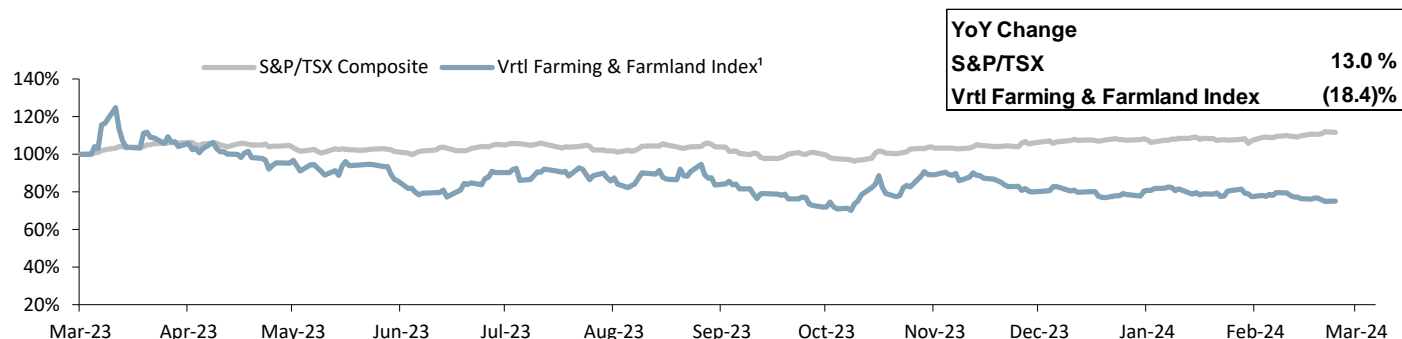
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	111,026	171,978	15.5x	14.8x	14.8x	14.0x	4.9 %	(11.4)%
CNH Industrial N.V.	15,853	40,369	14.1x	14.0x	8.2x	7.9x	2.3 %	(19.1)%
AGCO Corporation	8,832	10,052	5.4x	5.3x	8.4x	9.2x	2.0 %	(15.7)%
Ag Growth International Inc.	867	1,496	6.5x	6.1x	10.5x	9.3x	(1.4)%	(3.8)%
Mean			10.4x	10.0x	10.5x	10.1x	3.1 %	(15.4)%

News Scan

- ▶ On March 20th, **Agrinam Acquisition Corporation ("Agrinam")** (TSX: AGRI.U), a Canada-based SPAC, announced that it has entered into a second amending agreement with **Freight Farms, Inc. ("Freight Farms")**, a US-based provider of modular controlled environment agriculture, to amend their definitive business combination agreement dated October 4, 2023. Pursuant to the amendment, Agrinam and Freight Farms have agreed to extend the date by which Freight Farms may provide notice to terminate the business combination from March 20, 2024 to June 28, 2024, and to add and amend other transaction terms, including certain closing conditions
- ▶ On March 18th, **80 Acres Farms ("80 Acres")**, a US-based vertical farming company, announced that it has acquired **Mother Raw**, a Canada-based manufacturer of premium salad dressings, for an undisclosed amount. Through vertical integration, the acquisition will streamline operations and position 80 Acres to grow its US footprint
- ▶ On March 17th, **PSP Investments ("PSP")**, one of Canada's largest pension investment managers and the largest institutional investor in Australian agriculture, announced that it has acquired a 60% stake in **Ellerslie Free Range Farms**, an Australia-based egg farm operator, for US\$118 million. The deal marks PSP's maiden investment in the poultry sector as it aims to capitalize on the rising prevalence of free-range eggs following Australia's initiative to phase out caged egg production by 2036
- ▶ On March 13th, **Dole (NYSE: DOLE)**, a US-based provider of fresh produce, announced that it has completed the sale of its 65% stake in **Progressive Produce**, a US-based grower, packer, and distributor of conventional and organic produce, to **PTF Holdings, LLC ("PTF Holdings")**, the portfolio company of **Arable Capital Partners ("Arable")**, a US-based PE firm focused on agribusinesses, for US\$120 million. Following the completion of this transaction, the existing management team of Progressive Produce will remain with the enlarged business of Progressive Produce and PTF Holdings and retain an ownership stake
- ▶ On March 11th, **Unifrutti Group**, a leading global producer and distributor of fresh fruit and portfolio company of **ADQ**, announced that it has acquired **Bomarea**, a Peru-based blueberry producer, and the Peruvian operations of **AvoAmerica ("AvoAmerica Peru")**, a major avocado producer, from **Solum Partners**, a US-based agribusiness investment firm, for an undisclosed amount. The acquisitions will strengthen Unifrutti's presence in Peru and enrich its multi-fruit portfolio with premium blueberries and avocados to capitalize on their growing demand in US and China

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
			2024E	2025E	2024E	2025E		
Farmland Partners Inc.	520	1,008	18.5x	17.5x	27.1x	24.1x	(2.4)%	(18.9)%
Gladstone Land Corporation	462	1,027	11.0x	10.3x	13.6x	12.9x	(3.2)%	(26.3)%
Local Bounti Corporation	23	281	4.0x	2.3x	neg	nmf	(0.4)%	(75.3)%
Hydrofarm Holdings Group, Inc.	43	198	1.0x	1.0x	nmf	16.7x	(2.9)%	(56.5)%
Village Farms International, Inc.	114	165	0.4x	0.4x	12.7x	8.2x	19.8 %	(26.5)%
Mean			7.0x	6.3x	17.8x	15.5x	2.2 %	(40.7)%

News Scan

- ▶ On March 21st, **The Western Producer** reported that France issued a ban on using terms like steak and ham for plant protein products, a second attempt by the government to regulate meat alternatives as it tries to appease livestock producers at the heart of farmer protests
- ▶ On March 21st, **The Western Producer** reported that the World Trade Organization (“WTO”) is making big strides on dispute settlement reform, which is positive news for major exporting nations such as Canada. US Trade Representative Katherine Tai praised the WTO following its 13th Ministerial Conference (MC13) held in February, stating that negotiations have produced more results in the last year than previous reform efforts achieved in decades
- ▶ On March 18th, **Reuters** reported that drought in the western Canadian province of Alberta is stretching into its fourth year and farmers and oil companies are planning for water restrictions that threaten production of wheat, beef and crude. The severe conditions have prompted Alberta to open water-sharing negotiations among license-holders for the first time in two decades, hoping to salvage output from two of its biggest industries
- ▶ On March 15th, **Reuters** reported that the European Commission proposed an easing of a series of rules on leaving land fallow or rotating crops, offering concessions to farmers who have protested with tractor blockades across Europe over the past few months. It said the list of possible actions would be discussed by national agriculture ministers, who are next due to convene in Brussels on March 26
- ▶ On March 12th, **Food Ingredients 1st** reported that the EU plans to dilute its incoming deforestation regulation (EUDR) by temporarily designating all export countries with the same standard risk classification. The change comes after governments in Asia, Latin America and Africa complained about a need for clearer guidance on compliance, but experts warn implementation delays could cause more confusion
- ▶ On March 12th, **The Globe and Mail** reported that the value of Canadian farmland rose 11.5% in 2023, according to a new report by agriculture lending firm Farm Credit Canada. Chief economist J.P. Gervais said while that’s a slight slowdown from the growth in 2022, it’s still a rapid pace given cooling economic conditions overall
- ▶ On March 11th, **Reuters** reported that Ukraine, particularly in the last few months, has been exporting much more grain than expected despite more than two years of war with neighboring Russia. This, combined with two bumper Russian wheat crops, has led to an enormous surplus of Black Sea grain shipments over the last two seasons compared with what was initially predicted, a surplus that could easily replace entire export programs of other top suppliers
- ▶ On March 8th, **The Globe and Mail** reported that the UN food agency’s world price index fell in February for a seventh consecutive month as lower prices for all major cereals more than offset the rising price of sugar and meat. The FAO’s price index, which tracks the most globally traded food commodities, averaged 117.3 points in February, down from a revised 118.2 points the previous month
- ▶ On March 5th, **Food Ingredients 1st** reported that the Florida Legislature has approved a bill that will see the state ban the sale and manufacture of lab-grown, or “cultivated,” meat. Lab-grown meat, defined under the bill as “any meat or food product produced from cultured animal cells,” will now be classified as a second-degree misdemeanor for those who manufacture for sale, sell, hold or offer for sale, or distribute within the state
- ▶ On March 1st, **Food Ingredients 1st** reported that the European Parliament has voted in favor of a landmark nature restoration law amid right-wing pushback and farmer protests. The Nature Restoration Law, a pillar of the European Green Deal, aims to restore at least 20% of the EU’s land and sea areas by 2030 and all ecosystems in need of restoration by 2050

Commodities Futures as of March 26th, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.38	5.86 %	(32.47)%
Wheat (CBOT)	\$ per bu.	\$5.55	(2.46)%	(20.49)%
Oats (CBOT)	\$ per bu.	\$3.61	2.05 %	(4.24)%
Rough Rice (CBOT)	\$ per cwt.	\$17.05	(9.98)%	(4.43)%
Rapeseed (Canola) (ICE)	CAD per T	\$649.70	12.37 %	(13.74)%
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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