

April 2024

Industry Highlights on

Food & Agriculture

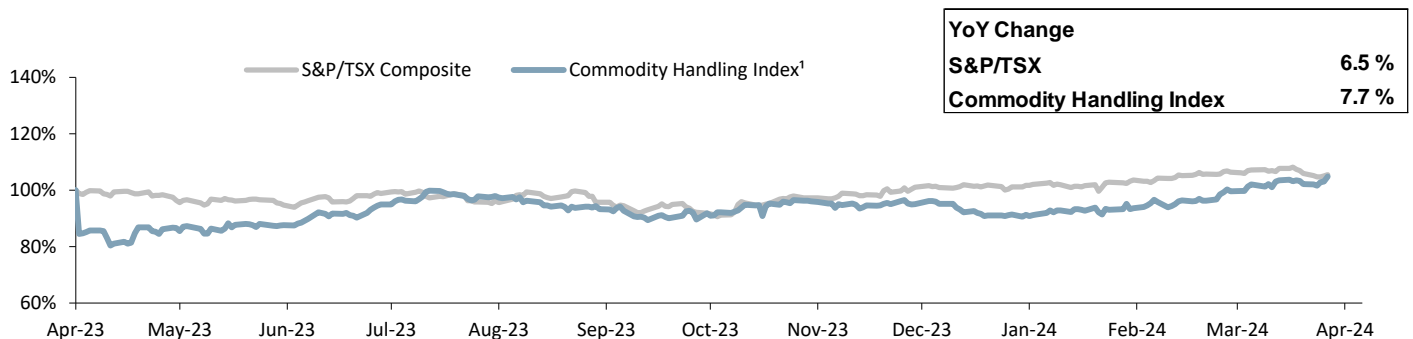


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On April 23rd, the **Competition Bureau of Canada** announced that it has released a report on the proposed acquisition of **Viterra** and **Bunge (NYSE: BG)**, reflecting some concerns about the transaction. The federal Minister of Transport will review the report and make a recommendation to the Governor in Council in the coming weeks
- ▶ On April 23rd, **Effingham Equity**, a US-based farmer-owned cooperative, announced that it has entered into an agreement to acquire all the grain facilities and assets of **Littlejohn Grain, Inc.**, a US-based fifth-generation family-owned grain company, for an undisclosed amount. Following the acquisition, Effingham Equity will operate seven grain facilities with a total storage capacity of over 21 million bushels
- ▶ On April 23rd, **United Cooperative**, a US-based member-owned company that specializes in agronomy, feed, grain and energy products, announced that it has entered into an agreement to acquire the ethanol facility in Wisconsin, US from **Marquis Energy**, the operator of the world's largest dry-mill ethanol facility, for an undisclosed amount. The acquisition will open new markets and provide value-added products to United Cooperative's member-owners
- ▶ On April 22nd, **the Government of Argentina** announced that it has approved the construction of a new agro-industrial port in the Rosario region for US\$550 million. Following completion of the construction, **Cargill**, **Bunge (NYSE: BG)** and **Louis Dreyfus** are among the companies that will be operating the grain handling facilities along the Rosario port network
- ▶ On April 17th, **CHS Inc. ("CHS")**, a US-based global agribusiness, announced that it has entered into an agreement to acquire eight grain assets from **Cargill**, an American global food corporation, for an undisclosed amount. The purchase includes grain facilities across five states with an aggregate storage capacity of 15.5 million bushels. Following completion of the transaction, CHS will strengthen its enterprise supply chain and efficiently connect farmers to the global marketplace
- ▶ On April 9th, **GrainCorp Limited ("GrainCorp") (ASX: GNC)**, an Australia-based integrated grain and edible oils business, announced that it has completed its acquisition of **XF Australia Pty Ltd**, a provider of feed supplement products and nutritional consulting services to Australia's feedlot and grazing sector, for A\$35 million. The acquisition will grow GrainCorp's provision of molasses-based feed and other supplements to Australian producers and enhance the development of sustainable feed solutions – including *Asparagopsis* seaweed products
- ▶ On April 1st, **KWS (XTRA:KWS)**, a Germany-based seed specialist, announced that it has signed a binding agreement to divest its corn business activities in Brazil and Argentina to **Grupo Don Mario**, an Argentinian plant genetics company, for an undisclosed amount. The sale will allow KWS to focus on other strategically important areas such as vegetables and the plant-based food market

Relative Performance Index



Key Indicators

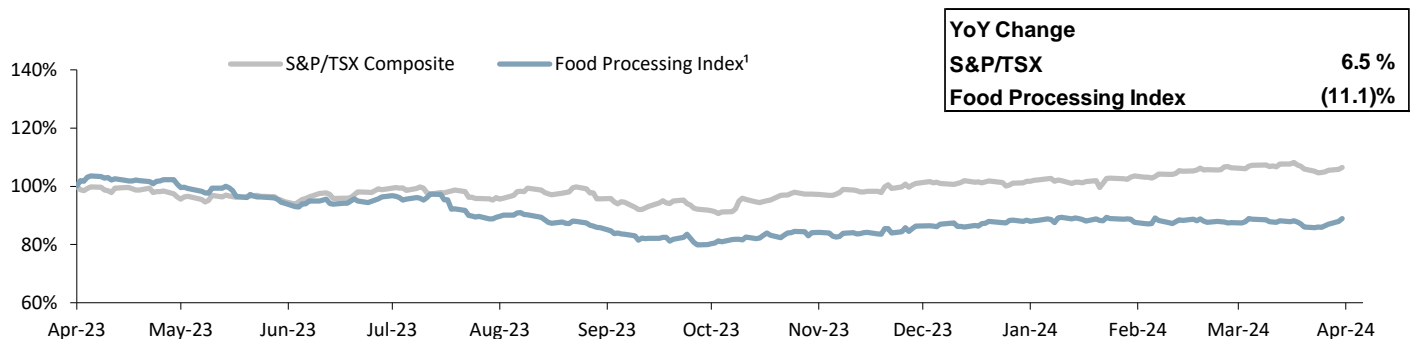
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	31,004	41,170	7.0x	7.2x	11.1x	10.8x	2.1 %	(29.2)%
Bunge Limited	15,455	20,064	6.1x	6.5x	8.2x	8.9x	5.5 %	(6.0)%
The Andersons, Inc	2,042	2,576	7.5x	6.5x	20.4x	15.5x	5.3 %	(1.7)%
Graincorp Limited	1,247	1,584	7.9x	8.3x	21.1x	19.1x	1.5 %	(1.2)%
Ceres Global Ag	69	131	na	na	na	na	17.3 %	(1.3)%
Mean			7.1x	7.1x	15.2x	13.6x	6.3 %	(7.9)%

News Scan

- ▶ On April 22nd, **Arla Food Ingredients (“Arla”)**, the fifth largest dairy company in the world, announced that it has entered into an agreement to acquire **Volac’s Whey Nutrition Business**, a UK-based dairy manufacturer, for an undisclosed amount. This acquisition, which includes Volac’s whey processing facility in the UK, will become Arla’s global whey production hub where the company will develop its product offerings for the performance, health and food sectors
- ▶ On April 17th, **Forward Consumer Partners (“Forward”)**, a US-based private investment firm focused on branded consumer businesses, announced that it has acquired **Firehook Bakery (“Firehook”)**, a fast-growing artisan baking business in Alexandria, Virginia, for an undisclosed amount. Firehook has grown at a 50% CAGR over the past decade to become the #1 brand of artisanal crackers in the US, and the transaction will help Firehook usher in its next phase of growth
- ▶ On April 15th, **Glanbia plc (“Glanbia”) (ISE:GL9)**, an Ireland-based global nutrition company, announced that it has entered into an agreement to acquire **Flavor Producers LLC**, a US-based provider of organic and natural flavors and extracts to the food and beverage industries, for US\$355 million. Flavor Producers significantly expands Glanbia’s flavors offering, bringing new capabilities in the attractive and growing natural and organic flavors market
- ▶ On April 11th, **McCain Foods**, a Canada-based manufacturer of frozen potato products and a global leader in prepared appetizers and snacks, announced that it has acquired the remaining majority interest in **Strong Roots**, an Ireland-based plant-based frozen food company, for an undisclosed amount. This acquisition will bolster McCain’s commitment to planet-friendly food, enabling it to extend its portfolio of healthier options
- ▶ On April 9th, **Baldwin Richardson Foods**, a US-based custom ingredients manufacturer for the food and beverage industry, announced that it has completed its acquisition of New Jersey-based **Pennsauken Packing Company, LLC**, which specializes in manufacturing aseptic beverages, for an undisclosed amount. The deal will expand Baldwin Richardson Foods’ aseptic beverage manufacturing capabilities into the East Coast
- ▶ On April 5th, **McDonald’s Corporation (“McDonald’s”) (NYSE: MCD)**, an American multinational fast-food chain, announced that it has entered into an agreement to repurchase all of its restaurants from **Alonyal**, the owner of the McDonald’s franchise in Israel, for an undisclosed amount. Following completion of the transaction, McDonald’s will own Alonyal’s 225 restaurants in Israel, alongside retaining more than 5,000 employees

Relative Performance Index



Key Indicators

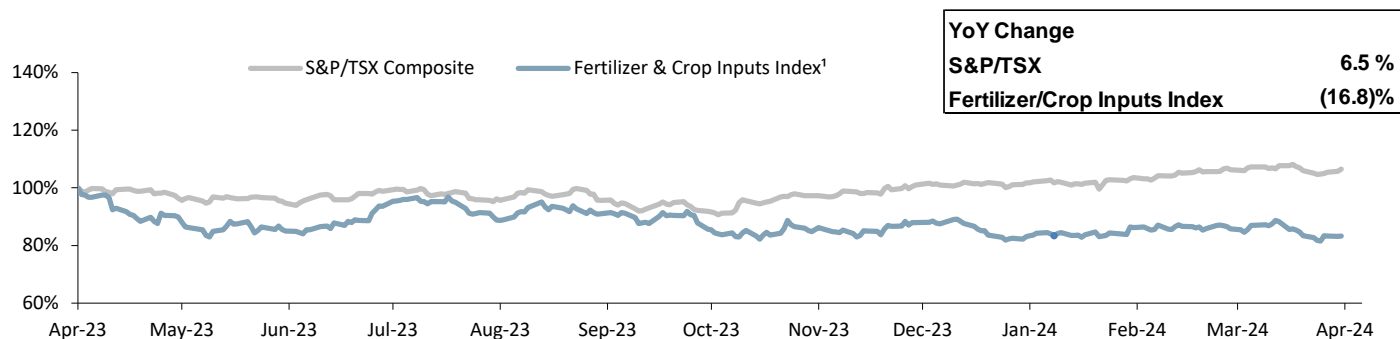
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	8,355	10,962	8.9x	7.5x	15.1x	12.1x	4.3 %	(26.6)%
Ingredion Incorporated	7,501	9,451	7.8x	7.5x	11.8x	11.1x	3.8 %	(3.8)%
Premium Brands	2,883	4,817	9.8x	8.7x	17.7x	13.9x	4.1 %	(21.9)%
Tate & Lyle plc	3,191	3,856	8.4x	7.8x	11.4x	10.6x	3.8 %	(23.0)%
Maple Leaf Foods Inc.	2,180	3,632	8.7x	7.3x	25.6x	14.4x	5.2 %	(23.3)%
SunOpta Inc.	776	1,204	13.4x	11.3x	nmf	25.1x	8.8 %	(22.9)%
Rogers Sugar	486	726	8.0x	7.7x	11.7x	11.5x	0.2 %	(19.0)%
High Liner Foods Incorporated	315	420	6.0x	5.4x	7.7x	6.2x	(0.5)%	(14.5)%
Mean			8.9x	7.9x	14.4x	13.1x	3.7 %	(19.4)%

News Scan

- ▶ On April 18th, **CF Industries Holdings, Inc. ("CF Industries")** (NYSE: CF), the world's largest producer of ammonia, and **JERA Co., Inc.**, Japan's largest energy company, announced that they have executed a joint agreement to explore the development of a greenfield low-carbon ammonia plant at CF Industries' Blue Point Complex in Louisiana. Following completion of construction, the plant is expected to produce 1.4 million tonnes of ammonia per annum by 2028
- ▶ On April 17th, **Agrimin Limited ("Agrimin")** (ASX: AMN), an Australia-based specialty fertilizer and minerals company, announced that it has signed a binding offtake agreement with **Gavilon Fertilizer**, a US-based leading wholesaler of NPK bulk blending grade fertilizers, for the supply of 50,000 tonnes per annum of product from its Mackay Potash project in Western Australia for sale and distribution in the US. The agreement is for a seven-year term and is expected to strengthen Agrimin's footprint across the US
- ▶ On April 16th, **Nano-Yield**, a US-based leading nanotechnology company in the agricultural sector, and **COMPO EXPERT Mexico**, a leading international agricultural company that produces high-quality specialty fertilizers and biostimulants, announced that they have signed a collaborative agreement to bring sustainable and cutting-edge nanotechnology solutions to Mexican agribusiness. The innovative solutions will significantly enhance nutrient delivery to both specialty crops and row crops throughout Latin America
- ▶ On April 11th, **Custom Agronomics ("Custom Ag")**, a US-based formulator of liquid nutrients and specialty chemistries and portfolio company of **Inverness Graham**, announced that it has acquired **BioTek Ag ("BioTek")**, a US-based crop inputs provider, for an undisclosed amount. The acquisition will expand Custom Ag's range of private-labeled liquid plant nutrients, nitrogen stabilizers and other specialty products and extend Custom Ag's reach in the Midwest and Southeast US regions
- ▶ On April 11th, **Ginkgo Bioworks (NYSE: DNA)**, a US-based platform for cell programming and biosecurity, announced that it has acquired the platform assets of **AgBiome**, a US-based developer of biological and trait products for crop protection, for an undisclosed amount. The assets include over 115,000 fully sequenced and isolated strains, over 500 million unique gene sequences, and relevant functional data and metadata, as well as AgBiome's development pipeline, which will expand Ginkgo's proprietary unified metagenomics database
- ▶ On April 2nd, **Redox Bio-Nutrients ("Redox")**, a US-based provider of plant growth solutions such as specialty agriculture fertilizers with added biostimulants, announced that it has acquired a 10% stake in **Axxion Corporation**, a Japan-based provider of fertilizers and moisture management surfactants, for an undisclosed amount. The acquisition will expand Redox's presence in Japan

Relative Performance Index



Key Indicators

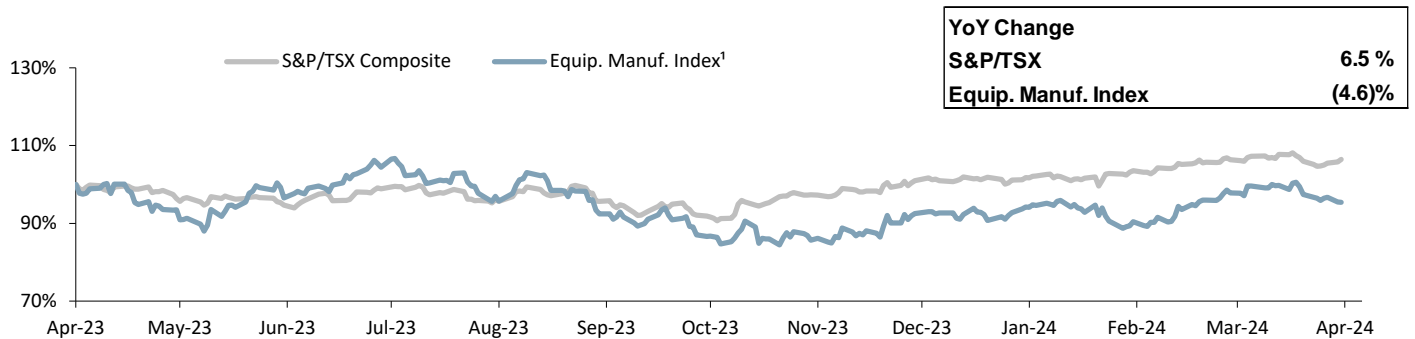
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	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2024E	2025E	2024E	2025E		
Nutrien Ltd.	25,838	38,252	6.7x	6.5x	13.2x	12.1x	(1.1)%	(26.3)%
CF Industries Holdings, Inc.	14,744	18,767	7.7x	8.1x	12.8x	13.1x	0.6%	(10.6)%
The Mosaic Company	9,783	14,056	5.4x	5.7x	10.0x	10.6x	(1.8)%	(30.9)%
Yara International ASA	7,916	11,627	5.5x	5.2x	nmf	nmf	1.7%	(24.6)%
Nufarm Ltd.	1,295	2,016	6.3x	5.7x	14.1x	10.7x	3.2%	(14.8)%
Mean			6.3x	6.2x	12.5x	11.6x	0.5%	(21.5)%

News Scan

- ▶ On April 11th, **SunCulture**, a Kenya-based provider of solar-powered irrigation solutions and agricultural technology to smallholder farmers, announced that it has raised a US\$27.5 million Series B funding round, which saw participation from **Reed Hastings, InfraCo Africa Limited, Acumen Fund, The Schmidt Family Foundation**, and others, as well as follow-on investment from **EDF Group, Equator**, and the **Acumen Resilience Agriculture Fund**. The investment will fuel SunCulture’s continued growth, enabling the expansion of its product line, entry into new markets, and further development of its technology platform
- ▶ On April 8th, **Bob Howard Luxury Auto Group (“Rob Howard”)**, a US-based full-service luxury car and agriculture equipment dealership firm, announced that it has acquired **Universal Tractor Co. (“UTC”)**, a US-based factory authorized dealer and distributor for Kubota Tractor Corporation, Land Pride, and MultiQuip Power Generators, for an undisclosed amount. This acquisition marks Bob Howard’s first entry into the Kubota network and will expand Bob Howard’s product offering in the farm equipment segment
- ▶ On April 3rd, **Lindsay Corporation (“Lindsay”) (NYSE: LNN)**, a US-based global manufacturer and distributor of irrigation and infrastructure equipment and technology, announced that it has entered into an agreement to acquire a 49.9% interest in **Pessl Instruments GmbH (“Pessl”)**, an Austria-based global provider of advanced agricultural technology solutions, for an undisclosed amount, with an option to acquire the remainder of the company at a later date. The investment will strengthen both Lindsay’s and Pessl’s leadership positions in key global markets, enabling Pessl to benefit from Lindsay’s leading position in row crop applications and Lindsay to benefit from Pessl’s leading position in specialty crop applications
- ▶ On April 2nd, **Seso**, a US-based workforce management platform for agriculture, announced the close of a US\$26 million Series B led by **BOND** with participation from **Index Ventures, NFX, SV Angel**, and other prominent investors. The vertical SaaS company will use the funding to expand its platform, including adding an AI-enabled payroll solution, a banking and remittance solution for farm workers, and a comprehensive HR platform purpose-built for agribusiness employers
- ▶ On April 1st, **TerraClear**, a US-based applied AI and robotics company focusing on solutions for rock picking in agriculture, announced that it has received US\$15 million in additional funding from existing investors in a round that saw participation from US-based **Madrona Venture Group**, TerraClear CEO **Brent Frei** and a number of angel investors. TerraClear will use the investment to grow its sales organization and establish partnerships with OEMs, and to integrate AI technology across its end-to-end rock management platform

Relative Performance Index



Key Indicators

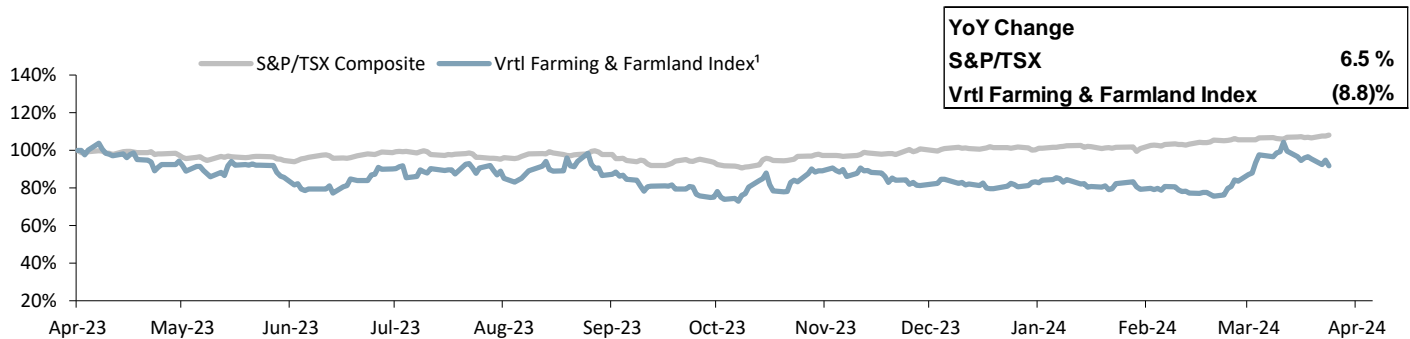
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2024E	2025E	2024E	2025E		
Deere & Company	110,567	171,515	15.4x	14.7x	14.8x	13.8x	0.9%	(11.7)%
CNH Industrial N.V.	14,421	38,914	13.5x	13.5x	7.5x	7.3x	(8.8)%	(26.4)%
AGCO Corporation	8,764	10,004	5.3x	5.3x	8.3x	9.3x	(0.5)%	(16.4)%
Ag Growth International Inc.	859	1,486	6.5x	6.1x	10.2x	9.1x	2.1%	(4.2)%
Mean			10.2x	9.9x	10.2x	9.9x	(2.8)%	(18.2)%

News Scan

- ▶ On April 18th, **Affinor Growers**, a Canada-based technology developer and supplier of turnkey vertical farming facilities including proprietary greenhouse, growing towers, automation and cultivation processes, announced that it has signed the second IP acquisition agreement with **Vertical Designs Ltd.**, a Canada-based company that constructs automated and indoor vertical farm production facilities, to acquire both the remaining patents regarding the proprietary vertical farming systems and the license agreements with certain partners covering various provinces of Canada, for an undisclosed amount. The acquisition is a key step in implementing the technology, which is currently being tested in Michigan with good results
- ▶ On April 17th, **Nature's Miracle Holding Inc. ("Nature's Miracle") (NASDAQ: NMHI)**, a US-based leader in vertical farming technology and infrastructure, announced that it has entered into a term sheet to acquire 100% of all the outstanding shares of **Agrify Corporation ("Agrify") (NASDAQ: AGFY)**, a US-based provider of innovative cultivation and extraction solutions, for US\$29 million. The acquisition is expected to bring a meaningful revenue stream for Nature's Miracle through Agrify's powerful SaaS and AI technology, while its leading market share in cannabis extraction continues to drive revenue growth
- ▶ On April 5th, **Veripath Farmland Partners ("Veripath")**, a Canada-based alternative investment firm focusing on farmland, announced that it has acquired 1,246 acres of Alberta farmland, for an undisclosed amount. This acquisition brings the total farmland under Veripath's management to approximately 120,000 acres
- ▶ On April 3rd, **Stolze Installatietechniek ("Stolze")**, a Netherlands-based specialist in the field of electrical and irrigation technology, grow light, automation and climate technology, announced that it has acquired **Elektravon Horticulture**, a Netherlands-based provider of irrigation technology and electrical engineering for horticulture installations, for an undisclosed amount. The acquisition will strengthen Stolze's position as a market leader in horticultural installation technology
- ▶ On April 1st, **Royal London Asset Management ("RLAM")**, on behalf of **Royal London**, UK's largest mutual life, pensions and investment company, announced that it has acquired 21,000 acres of prime farmland in Cambridgeshire and Lincolnshire in a £260 million joint venture with **South Yorkshire Pension Authority ("SYPA")**. The acquisition marks the first investment by RLAM into agriculture and is one of UK's largest farmland deals

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.	519	1,007	18.5x	17.5x	27.0x	24.1x	(4.6)%	(21.6)%
Gladstone Land Corporation	457	1,000	10.7x	10.0x	12.9x	12.6x	(7.9)%	(29.1)%
Local Bounti Corporation	26	347	5.6x	3.2x	neg	nfm	(16.7)%	(74.7)%
Hydrofarm Holdings Group, Inc.	42	197	1.0x	1.0x	nfm	20.2x	(10.6)%	(43.3)%
Village Farms International, Inc.	151	203	0.5x	0.4x	15.6x	10.1x	(4.7)%	(22.9)%
Mean			7.3x	6.4x	18.5x	16.7x	(8.9)%	(38.3)%



News Scan

- ▶ On April 17th, **Successful Farming** reported that a new study from the US Environmental Protection Agency showed that agriculture represents just under 10% of total US emissions when compared to other economic sectors. The 10% of total U.S. emissions number puts agriculture behind transportation (28%), electric power (25%) and the industrial sector (23%), but ahead of the commercial sector (7%) and the residential sector (6%), but marks the lowest US agricultural greenhouse gas emissions since 2012
- ▶ On April 17th, **Reuters** reported that profit is growing further out of reach for US wheat farmers, and many do not expect to break even in 2024 as ample global supply keeps prices around their lowest in nearly four years while equipment and transport costs remain high
- ▶ On April 12th, **Food Ingredients 1st** reported that new rules greenlighted by the European Parliament will address adulterated honey imports from countries outside of the EU by making it obligatory to clearly label the countries of origin. They parliament also said that they will launch a process to create a honey traceability system to combat honey fraud
- ▶ On April 12th, **The Western Producer** reported that Canada’s canola crush buildout is not going as smoothly as planned, according to the US Department of Agriculture. “Project delays in 2023, 2024 and into 2025 have slowed the growth of crush capacity,” the USDA’s Foreign Agricultural Service stated in a recent report
- ▶ On April 12th, **Reuters** reported that a record soybean harvest in Brazil's southernmost state should offset losses in the drought-hit center west, keeping a lid on prices in the world's largest producer and exporter and slowing the pace of sales, according to local farmers and cooperatives
- ▶ On April 10th, **Food Ingredients 1st** reported that European MEPs and the Council presidency have unveiled a provisional agreement to extend temporary trade measures for Ukraine as farmers continue to denounce the current provision as “unsustainable.” The extension includes a suspension of import duties and quotas on agricultural exports for the beleaguered country
- ▶ On April 9th, **Food Ingredients 1st** reported that food inflation in the world’s wealthiest nations has fallen to levels from before Russia’s full-scale invasion of Ukraine and declined for 15 consecutive months, reaching 5.3% in February versus 6.3% in January, according to the latest report from the Organization for Economic Co-operation and Development (OECD)
- ▶ On April 8th, **Reuters** reported that the European Union is not planning to delay a new law to crack down the import of commodities linked to deforestation, according to its environment commissioner, despite some governments urging Brussels to postpone the landmark rules
- ▶ On April 5th, **Reuters** reported that world food prices rebounded in March from a three-year low, boosted by increases in vegetable oils, meat and dairy products, according to the United Nations food agency's latest price index. The Food and Agriculture Organization's (FAO) index, which tracks the most globally traded food commodities, averaged 118.3 points in March, up from a revised 117.0 points the previous month
- ▶ On April 3rd, **The Western Producer** reported that Saskatchewan’s Water Security Agency said that it expects most of the province’s reservoirs to fill this spring. The agency said 33 of the 45 major reservoirs are near full or will fill, and six more are between 70 and 90 percent full and still filling. The remaining six that won’t fill are in the southwest
- ▶ On April 2nd, **Food Dive** reported that a person is being treated for bird flu following contact with dairy cows presumed to be infected with the virus in Texas, according to state and federal officials. The Texas Department of State Health Services reported that it believes the human case is linked to recent detections of highly pathogenic avian influenza in dairy herds

Commodities Futures as of April 25th, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.49	2.46 %	(25.37)%
Wheat (CBOT)	\$ per bu.	\$6.13	10.45 %	(4.52)%
Oats (CBOT)	\$ per bu.	\$3.54	(2.08)%	8.35 %
Rough Rice (CBOT)	\$ per cwt.	\$19.42	13.90 %	13.57 %
Rapeseed (Canola) (ICE)	CAD per T	\$639.40	(1.59)%	(12.99)%
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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