

October 2024

Industry Highlights on

Food & Agriculture

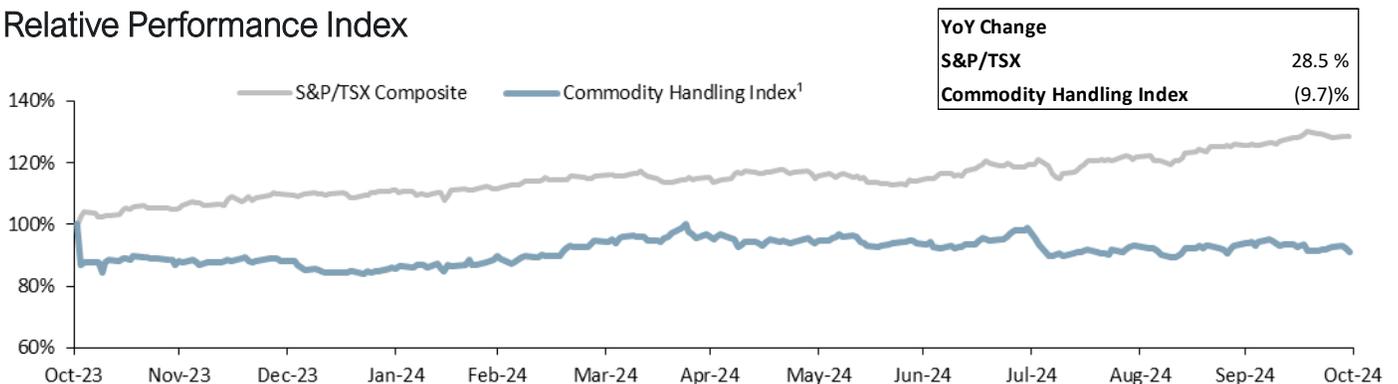


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On November 4th, **The Andersons, Inc. ("The Andersons") (Nasdaq: ANDE)**, a diversified agricultural company operating in the trade, renewables and nutrient and industrial sectors, announced that it has finalized the acquisition of a majority ownership in **Skyland Grain, LLC ("Skyland")**, a US-based grain and agronomy company, for an undisclosed amount. The transaction enables The Andersons to expand its core grain and fertilizer businesses across strategic markets in Kansas, Oklahoma, Colorado, and Texas, leveraging Skyland's full-service agriproduct and fuel departments, offering bulk liquid, dry, and anhydrous ammonia fertilizers, chemicals, and seed, as well as custom application for fertilizer and chemicals. It also enhances The Andersons' storage capabilities with Skyland's grain receiving facilities at 65 locations, totaling a licensed grain storage capacity of over 174 million bushels, along with three cotton gins
- ▶ On October 17th, **Zilor Energia e Alimentos ("Zilor")**, a Brazil-based company in the sugar-energy sector, announced that it has signed an agreement to acquire 100% of the shares of **Salto Botelho Agroenergia S.A.**, a Brazil-based producer of sugar, ethanol, and bioenergy located in Lucélia, São Paulo, for US\$105 million. The acquisition will increase Zilor's crushing capacity by 15%, totaling 13.8 million tons, and expand its presence in the state of São Paulo
- ▶ On October 7th, **Luckey Farmers, Inc. ("Luckey Farmers")**, a US-based grain marketing and farm supply cooperative, announced that its members have approved a merger with **Mid-Wood Incorporated ("Mid-Wood")**, a US-based agricultural cooperative providing grain, agronomy, energy, and feed services, for an undisclosed amount. The merger aims to enhance operational efficiencies, expand resources, and strengthen services for member-owners in grain, agronomy, energy, and feed sectors
- ▶ On October 3rd, **Bayer CropScience Inc. ("Bayer")**, a Canada-based division of **Bayer AG** specializing in agricultural products, announced that it has entered into an agreement to acquire a canola treating and packaging facility located in Coaldale, Alberta, from **HyTech Production Ltd.**, a Canada-based seed production company, for an undisclosed amount. The acquisition aims to enhance Bayer's canola production process by providing greater visibility and control over seed production to packaging, thereby improving service and supply of canola hybrids for customers
- ▶ On October 1st, **Bunge Global SA ("Bunge") (NYSE: BG)**, a US-based agribusiness and food company, announced that it has completed the sale of its 50% ownership share in **BP Bunge Bioenergia**, a Brazil-based biofuels joint venture, to **BP (NYSE: BP)**, a UK-based energy company, for US\$828 million. The divestiture allows Bunge to focus on its core businesses, while BP gains full ownership of the biofuels venture, enhancing its bioenergy portfolio in Brazil

Relative Performance Index



Key Indicators

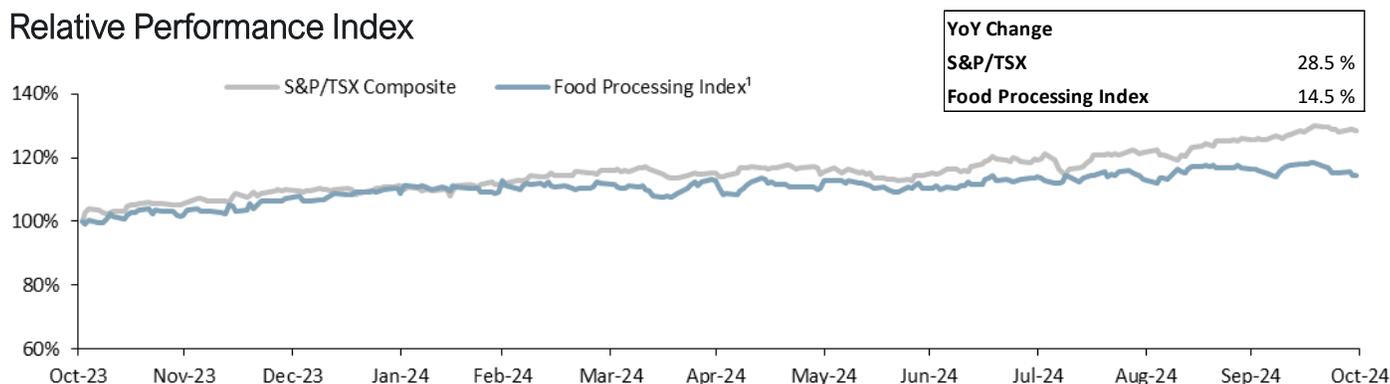
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	26,398	38,147	7.7x	6.8x	11.0x	10.8x	(0.3)%	(28.2)%
Bunge Limited	11,731	17,023	6.3x	6.4x	9.0x	8.9x	(3.9)%	(25.3)%
The Andersons, Inc	1,535	1,937	5.6x	5.0x	14.9x	11.1x	(2.2)%	(25.5)%
Graincorp Limited	1,308	1,991	11.2x	8.7x	23.4x	16.0x	0.0 %	(2.8)%
Ceres Global Ag	78	119	na	na	na	na	4.5 %	(1.7)%
Mean			7.7x	6.7x	14.6x	11.7x	(0.4)%	(16.7)%

News Scan

- ▶ On October 28th, **Encore Consumer Capital**, a US-based PE firm, announced that it has acquired **Delorio, LLC ("Delorio's")**, a US-based manufacturer of customized pizza dough balls, pre-formed crusts, and shells, for an undisclosed amount. The acquisition enables Delorio's to expand its capacity and capabilities, supporting growth in serving customers across North America
- ▶ On October 22nd, **Second Nature Brands**, a US-based creator of premium snacks and treats, a portfolio company of UK-based **CapVest Partners LLP**, announced that it has entered into a definitive agreement to acquire **Voortman**, a Canada-based cookie brand, from **The J.M. Smucker Co. (NYSE: SJM)**, a US-based manufacturer of food and beverage products, for C\$305 million. The acquisition adds significant scale to Second Nature Brands' portfolio, enhancing its position in the specialty cookies category in the Canadian market
- ▶ On October 21st, **JAB Holding Company ("JAB")**, a Luxembourg-based investment firm, announced that it has agreed to acquire **Mondelez International, Inc.'s (Nasdaq: MDLZ)** 86 million shares in **JDE Peet's (EURONEXT: JDEP)**, a Netherlands-based global coffee and tea company, for €2.16 billion. The transaction raises JAB's stake in JDE Peet's to 68% and involves the distribution of 43 million shares to over 70 limited partners, increasing the free float of JDE Peet's to 32% and further solidifying its status as a more widely held blue-chip company
- ▶ On October 17th, **The Anderson Group, LLC**, a US-based PE firm, announced that it has acquired **Double B Foods, Inc. ("Double B")**, a US-based manufacturer of frozen and refrigerated appetizers, snacks, desserts, and dips, for an undisclosed amount. The transaction strengthens Double B's balance sheet and enables it to develop new flavor profiles and product delivery forms
- ▶ On October 7th, **Cannae Holdings, Inc. ("Cannae") (NYSE: CNNE)**, a US-based investment company, in partnership with **KDSA Investment Partners ("KDSA")**, a US-based food and beverage-focused investment firm, announced an agreement to acquire **The Watkins Company ("Watkins")**, a US-based producer of spices, seasonings, and extracts, for an undisclosed amount. The acquisition aims to leverage Cannae and KDSA's expertise to drive growth for Watkins' portfolio in the fast-growing natural and organic flavoring products market
- ▶ On October 1st, **PepsiCo, Inc. ("PepsiCo") (NASDAQ: PEP)** announced that it has entered into a definitive agreement to acquire **Garza Food Ventures LLC, d/b/a Siete Foods ("Siete")**, a US-based producer of Mexican-American heritage-inspired foods, for US\$1.2 billion. The acquisition strengthens PepsiCo's better-for-you product portfolio by adding Siete's popular grain-free tortillas, tortilla chips, and hot sauces, catering to the growing demand for diverse, health-focused, and culturally authentic food options

Relative Performance Index



Key Indicators

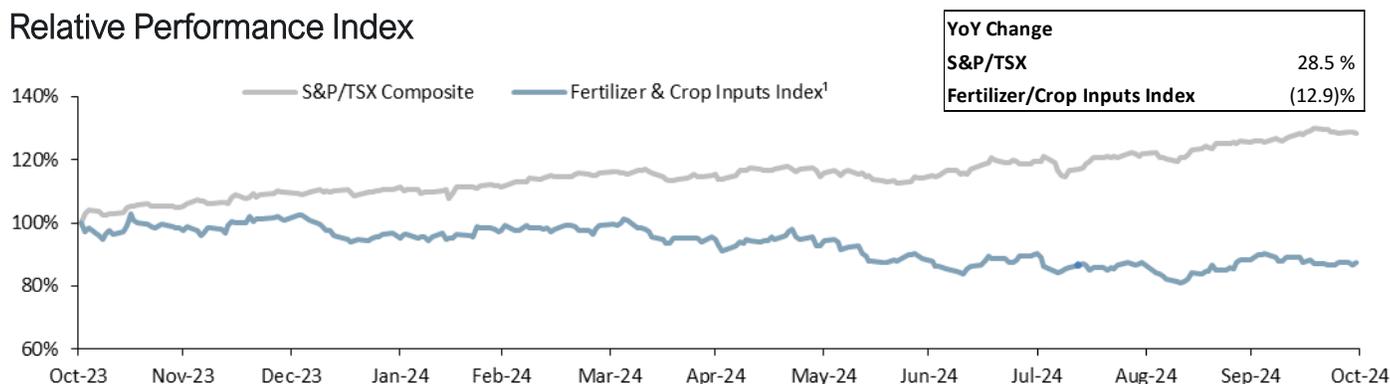
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	8,088	10,674	9.5x	7.9x	17.3x	13.2x	(2.9)%	(16.1)%
Ingredion Incorporated	8,650	9,764	8.1x	7.6x	12.6x	12.0x	(0.6)%	(14.0)%
Premium Brands	2,772	4,719	10.3x	9.1x	22.3x	16.6x	(7.5)%	(9.3)%
Tate & Lyle plc	3,600	3,640	8.1x	7.1x	13.8x	12.8x	(2.5)%	(11.1)%
Maple Leaf Foods Inc.	1,865	3,298	8.4x	7.2x	31.3x	16.0x	(3.8)%	(22.5)%
Lassonde Industries Inc.	864	1,424	7.4x	6.5x	7.3x	6.8x	(0.7)%	(5.4)%
SunOpta Inc.	765	1,216	13.4x	11.2x	nmf	26.7x	0.6 %	(21.6)%
Rogers Sugar	510	805	8.2x	na	10.2x	na	(0.5)%	(5.9)%
Mean			9.2x	8.1x	16.4x	14.9x	(2.2)%	(13.2)%

News Scan

- ▶ On November 6th, **Tessenderlo Kerley**, a US-based producers and marketer of high-quality crop nutrition, water treatment, and industrial solutions, has announced that it has acquired **Tiger-Sul Products, LLC**, a North American focused provider of sulfur-based fertilizer products, from **Platte River Equity**, for an undisclosed amount. The acquisition strengthens Tessenderlo Kerley's specialty fertilizer portfolio, providing a better crop yield, more control for farmers, and a healthier planet for customers
- ▶ On October 23rd, **Bridgepoint**, a UK-based private asset growth investor, announced the acquisition of an undisclosed stake in **Meristem**, a US-based agricultural solutions company specializing in biological crop inputs, for an unspecified amount. Bridgepoint aims to leverage its expertise and its portfolio companies, including Rovensa—a provider of sustainable crop inputs with a strong presence in Latin America and Europe—to support Meristem's international expansion and tailored product development
- ▶ On October 15th, **Fauji Fertilizer Company Limited (PSX: FFC)**, the largest fertilizer manufacturer in Pakistan, acquired a 28% equity stake of **Agritech Limited (PSX: AGL)**, a prominent fertilizer manufacturing company based in Pakistan, from the **National Bank of Pakistan (PSX: NBP)** for Rs3.97 billion. This acquisition increased Fauji Fertilizer's total shareholding in Agritech Limited to 27.8%, enhancing FFC's presence in the agricultural sector, supported by Agritech's strong production capacity
- ▶ On October 15th, **Yara International ASA ("Yara")**, a Norway-based global fertilizer company, announced plans to transform its Tertre plant in Belgium by closing the ammonia unit and focusing on premium nitrate fertilizers and industrial nitrogen chemicals. This shift aims to enhance competitiveness amid high energy prices, market challenges, and environmental regulations, while positioning the site for future decarbonization
- ▶ On October 2nd, **Yara International ASA ("Yara")**, opened a new ammonia import terminal in Brunsbüttel, Germany, with a capacity to import up to three million tonnes of low-emission ammonia annually, supporting Germany's hydrogen strategy and contributing to its energy transition
- ▶ On October 2nd, Canada-based investors **Idealist Capital**, **Sanimax**, and **Fondaction** announced a US\$58 million investment in **Entosystem**, a Canada-based producer of organic fertilizers and insect proteins. The investment aims to accelerate Entosystem's growth by increasing existing production capacity and constructing a second commercial plant, enhancing its ability to divert organic materials from landfills and transform them into high-quality ingredients

Relative Performance Index



Key Indicators

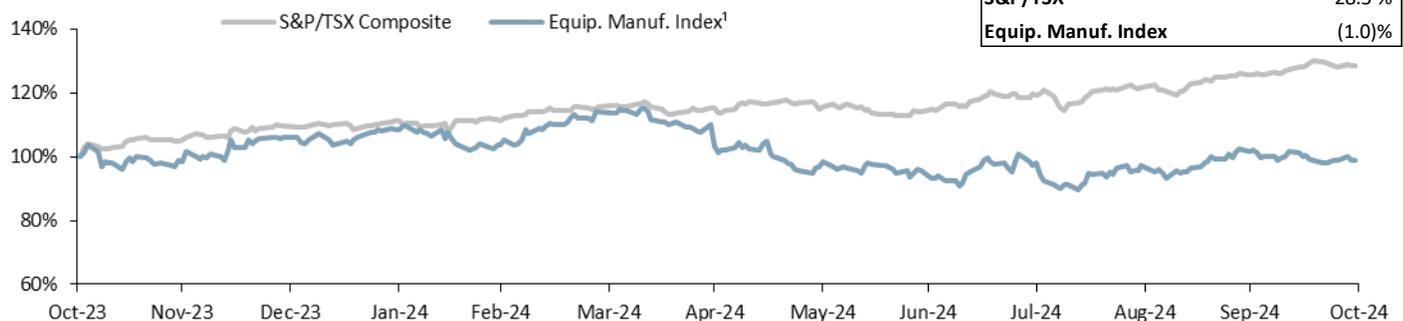
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	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2024E	2025E	2024E	2025E		
Nutrien Ltd.	23,508	37,970	7.0x	7.0x	12.8x	12.6x	0.2 %	(19.8)%
CF Industries Holdings, Inc.	14,310	18,303	7.8x	7.9x	13.2x	14.2x	(2.5)%	(10.0)%
The Mosaic Company	8,527	12,856	5.3x	5.3x	11.1x	11.3x	2.8 %	(29.1)%
Yara International ASA	7,646	11,268	5.5x	5.3x	nmf	nmf	0.8 %	(11.8)%
Nufarm Ltd.	967	1,943	9.4x	7.1x	36.1x	14.6x	3.8 %	(35.9)%
Mean			7.0x	6.5x	18.3x	13.2x	1.0 %	(21.3)%

News Scan

- ▶ On October 31st, **AGCO Corporation ("AGCO")** (NYSE: AGCO), a US-based manufacturer and distributor of agricultural machinery and precision ag technology, announced that it has completed the divestiture of the majority of its **Grain & Protein business** to **American Industrial Partners**, a US-based PE firm, for US\$700 million. The divestiture supports AGCO's strategic transformation by streamlining its focus on core agricultural machinery and precision ag technology products. The proceeds will be used primarily for debt repayment, as well as investment in technology and organic growth initiatives and return of capital to shareholders
- ▶ On October 22nd, **Deere & Company ("John Deere")** announced a strategic partnership with **Trimble Inc. ("Trimble")**, a US-based technology solutions provider specializing in positioning, modeling, connectivity, and data analytics. The partnership integrates Trimble Earthworks Grade Control technology into John Deere's SmartGrade platform, enhancing grade control solutions and providing customers with expanded access to Trimble's technology ecosystem for improved efficiency and precision in construction operations
- ▶ On October 21st, **Carbon Robotics ("Carbon")**, a US-based AI-powered farming company, announced that it has raised US\$70 million in a Series D financing round led by **BOND**, with participation from existing investors **NVentures** (NVIDIA's venture capital arm), **Anthos Capital**, **Fuse Venture Capital**, **Ignition Partners**, **Revolution**, **Sozo Ventures**, and **Voyager Capital**. The funding will be used to scale Carbon's LaserWeeder business, introduce new software and hardware products, and expand manufacturing capabilities in Eastern Washington, supporting the company's growth into new markets, including Eastern and Southern Europe and the Asia-Pacific region
- ▶ On October 17th, **Cultura Technologies ("Cultura")**, a US-based agri-food software company, a subsidiary of **Constellation Software (TSX:CSU)**, a Canada-based global provider of software and services for various industries, announced that it has completed the acquisition of **ServiceERP**, a Germany-based provider of inventory management and ERP solutions for medium-sized agricultural production and trading companies, for an undisclosed amount. The acquisition strengthens Cultura's footprint in the European agri market, enhancing its ability to serve customers in the DACH region

Relative Performance Index



Key Indicators

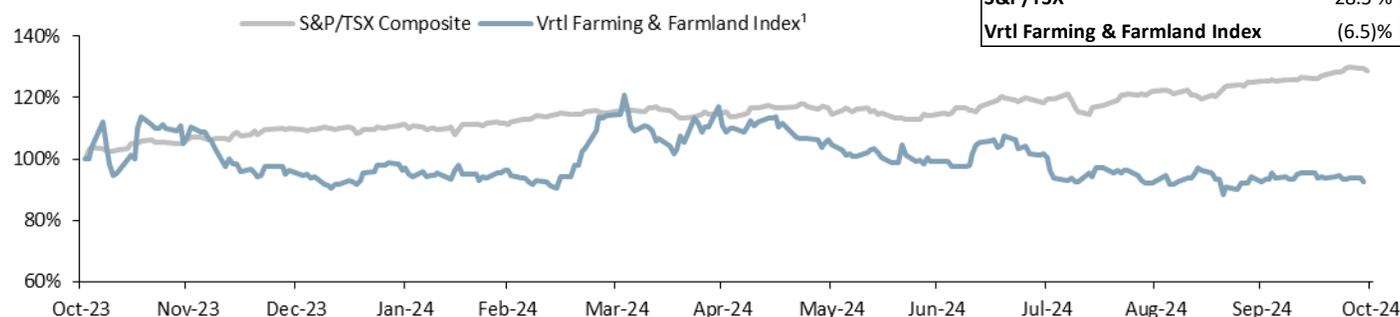
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	110,723	172,598	18.0x	18.4x	17.6x	18.3x	(0.5)%	(3.8)%
CNH Industrial N.V.	14,080	40,290	20.4x	18.9x	8.8x	9.3x	2.6 %	(15.3)%
AGCO Corporation	7,453	11,507	8.3x	6.1x	7.0x	14.8x	1.9 %	(22.8)%
Ag Growth International Inc.	676	1,273	6.4x	5.8x	9.5x	8.5x	0.9 %	(23.8)%
Mean			13.3x	12.3x	10.7x	12.7x	1.3 %	(14.0)%

News Scan

- ▶ On October 29th, **Fresh Del Monte Produce Inc. ("Fresh Del Monte")**, a US-based producer and distributor of fresh produce, announced that its vegetable division, **Mann Packing**, has sold **Fresh Leaf Farms**, a US-based leafy greens operation, to **First Leaf Farms**, a new partnership between the **Costa** and **Nunes** families, both prominent leaders in the Salinas Valley produce industry, for an undisclosed amount. The sale aligns with Fresh Del Monte's strategy to focus on core vegetable lines and innovations while strengthening Costa and Nunes families' leadership in leafy greens
- ▶ On October 28th, **Fountain Plants Ltd. ("Fountain Plants")**, a UK-based propagator of vegetable plants, announced that it has sold an undisclosed stake to **Solum Partners**, a US-based investment management firm focused on the food and agriculture industry, for an undisclosed amount. The collaboration aims to enhance Fountain Plants' operational capabilities and accelerate growth to meet increasing customer demand for high-quality brassica, lettuce, and leek plants
- ▶ On October 7th, **The Duckhorn Portfolio ("Duckhorn") (NYSE: NAPA)**, a US-based luxury wine company, announced that it has entered into a definitive agreement to be acquired by **Butterfly Equity ("Butterfly")**, a US-based PE firm specializing in the food and beverage sector, for US\$1.95 billion. The acquisition aims to leverage Butterfly's sector expertise to enhance Duckhorn's operational capabilities and expand its reach within the luxury wine market
- ▶ On October 2nd, **Farmland Partners Inc. ("FPI") (NYSE: FPI)**, a US-based real estate company owning farmland, announced that it has entered into a definitive agreement to sell 41,554 acres across 46 farms to **Farmland Reserve, Inc.**, the farmland-focused investment arm of US-based **The Church of Jesus Christ of Latter-day Saints**, for US\$289 million. The transaction will generate a US\$50 million gain for FPI over the net book value, with proceeds set to be used for debt reduction, stock repurchase, acquisitions, and potential shareholder distributions
- ▶ On October 1st, **Once Again Nut Butter Collective, Inc. ("Once Again")**, a US-based producer of organic and natural nut and seed butter products, announced that it has acquired **Big Tree Organic Farms**, a US-based organic almond grower, for an undisclosed amount. The acquisition positions Once Again closer to California's almond production, enhancing supply chain efficiency and expanding its product portfolio to include certified non-GMO and organic diced, sliced, and slivered almonds, as well as almond flour

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
			2024E	2025E	2024E	2025E	Price	52Wk High
Farmland Partners Inc.	560	1,057	26.5x	41.3x	nmf	nmf	(1.4)%	(15.9)%
Gladstone Land Corporation	471	1,044	15.2x	14.7x	neg	neg	0.5 %	(13.2)%
Village Farms International, Inc.	98	140	15.9x	6.5x	neg	43.8x	(4.4)%	(45.6)%
Hydrofarm Holdings Group, Inc.	31	179	nmf	23.9x	neg	neg	(2.9)%	(44.9)%
Local Bounti Corporation	22	440	neg	nmf	neg	neg	(0.4)%	(45.2)%
Mean			19.2x	21.6x	neg	43.8x	(1.7)%	(32.9)%



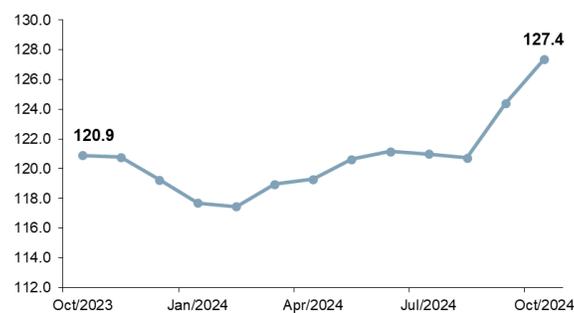
News Scan

- ▶ On October 31st, **Reuters** reported that bird flu has been spreading faster in the European Union this season than a milder 2023, raising concerns of a repeat of previous crises that led to the deaths of tens of millions of poultry and renewing fears that it could expand to humans
- ▶ On October 29th, **Reuters** reported that some grain handlers at GrainCorp, one of Australia's largest exporters of wheat and other crops, began industrial action, threatening to disrupt the harvest just as it ramps up. The Australian Workers' Union (AWU) said GrainCorp handlers in New South Wales - one of the country's biggest growing regions - would conduct impromptu hour-long strikes over the next 30 days with as little as 10 minutes warning
- ▶ On October 28th, **The Globe and Mail** reported that Canada is on track to be the world's third-largest wheat exporter for the second year in a row as crop production in the prairie provinces continues to increase. International data from the U.S. Department of Agriculture shows Canada overtaking Australia for the third-place spot in the 2023-2024 crop year and predicts a similar ranking for 2024-25. Canada is now behind only Russia and the European Union when it comes to volumes of wheat exports
- ▶ On October 25th, **Reuters** reported that China's grain output is set to exceed a record 700 million metric tons this year, according to a key agriculture ministry official, calling for continued efforts to ensure stable supply. That figure is 0.7% higher than the 2023 harvest of 695.41 million tons, according to data from the National Bureau of Statistics
- ▶ On October 16th, **Food Ingredients 1st** reported that the European Council has agreed on an amendment of the EU deforestation regulation (EUDR), postponing its date of application by 12 months
- ▶ On October 16th, **The Western Producer** reported that pea imports are way down so far this year in one of Canada's top markets. China bought 657,000 tonnes of the crop during the first half of the calendar year, which was 22% below the same time a year ago, according to a new report by the U.S. Department of Agriculture's Foreign Agricultural Service (FAS). China imported 2.6 million tonnes of the pulse in 2023, a 64% increase over 2022 levels. Many of those peas are still sitting in storage
- ▶ On October 10th, **Food Ingredients 1st** reported that the UK has regained poultry market access in South Africa, following an eight-year restriction on British imports. The ban stemmed from previous avian influenza outbreaks in the region, which the UK declared itself free from in March. The move is expected to bring up to £160 million (US\$209 million) to the UK poultry industry over the next five years
- ▶ On October 9th, **Food Ingredients 1st** reported that the USDA has announced multiple steps to promote competition in the American economy, such as pushing for fair markets for farmers and ranchers and lowering food prices. The federal agency identified hidden feeds and unjust pricing strategies as a hindrance in the beef market after analyzing feedback from small, medium and large meatpackers, distributors, retailers, academics and farmer or advocacy organizations
- ▶ On October 8th, **The Western Producer** reported that Farm Credit Canada's mid-year review shows cultivated farmland values rose an average of 5.5% in the first half of this year. From July 2023 to June 2024, the increase was 9.6%. The highest average six-month increases were in Saskatchewan at 7.4% and Quebec at 5.4%. Alberta and British Columbia recorded increases of 4.6% and 5%, respectively, followed by Manitoba at 3.9% and Ontario at 2.1%
- ▶ On October 4th, **The Globe and Mail** reported that the United Nations' world food price index jumped in September, posting its biggest gain in 18 months on the back of surging sugar prices. The price index, compiled by the UN Food and Agriculture Organization to track the most globally traded food commodities, rose to 124.4 points in last month from 120.7 in August, the highest level since July 2023 and up 2.1% on the year

Commodities Futures as of October 31st, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.11	(4.25)%	(14.20)%
Wheat (CBOT)	\$ per bu.	\$5.71	(4.76)%	2.56 %
Oats (CBOT)	\$ per bu.	\$3.95	1.68 %	1.35 %
Rough Rice (CBOT)	\$ per cwt.	\$14.70	(3.92)%	(8.15)%
Rapeseed (Canola)(ICE)	CAD per T	\$650.40	6.48 %	(4.08)%
Ethanol (CBOT)	\$ per gal.	\$2.16	-	0.00 %

FAO Food Price Index



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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