

May 2024

Industry Highlights on

Food & Agriculture

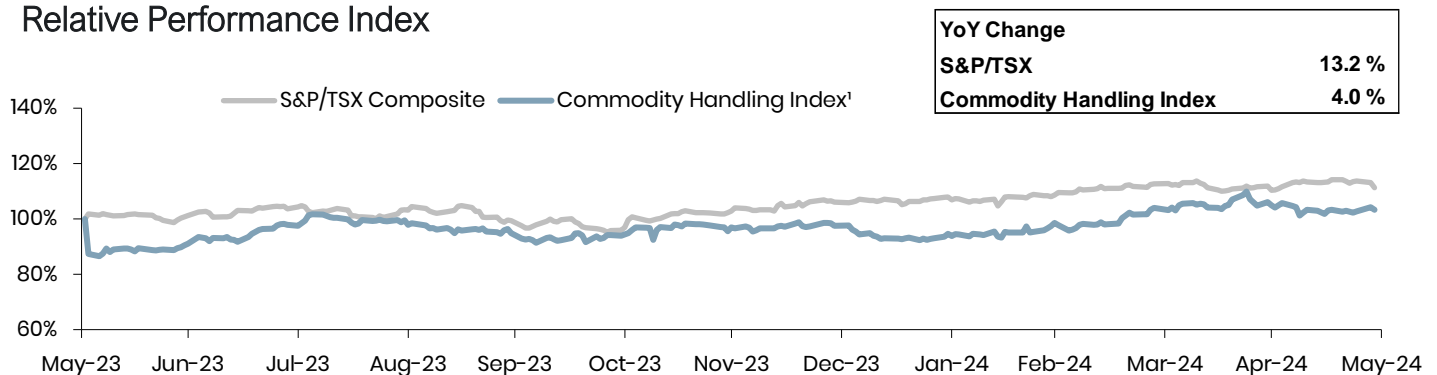


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On May 30th, **Bunge Global SA (NYSE: BG)**, a global agribusiness and food company, and **Zen-Noh Group**, a federation of agricultural cooperatives in Japan, announced that they will jointly acquire 50% of a grain terminal at the Port of Santos from **Rumo**, a Brazilian rail operator, for US\$115.3 million. With this deal, the companies expect to obtain larger logistical flexibility in a key export corridor in Brazil
- ▶ On May 17th, **Farmers Cooperative Association (“FCA”)**, a US-based cooperative focusing on feed, fertilizer and petroleum products, announced that they have approved the merger proposal with **Gold-Eagle Cooperative (“Gold-Eagle”)**, a US-based cooperative providing grain, agronomy, energy, and feed services, for an undisclosed amount. The merger, which takes effect on July 1, 2024, will allow Gold-Eagle streamline operations and better utilize resources to benefit farmer patrons, with the combined entity set to operate under the Gold-Eagle name
- ▶ On May 15th, **CHS Inc. (“CHS”)**, a US-based global agribusiness cooperative, announced that it has signed a nonbinding letter of intent to acquire **West Central Ag Services**, a US-based cooperative that provides grain, agronomy, finance, and insurance services to farmers, for an undisclosed amount. The proposed acquisition aligns with CHS's strategic goal of expanding its global agricultural supply chain and enhancing its market access to create more value for farmer-owners
- ▶ On May 9th, **Innovad Group (“Innovad”)**, a Belgium-based global leader in animal nutrition and health solutions, announced that it has acquired **Oligo Basics**, a Brazil-based provider of nutritional feed additives, for an undisclosed amount. The acquisition aims to synergize the product portfolios of both companies, enhancing Innovad's presence in Brazil and leveraging Oligo Basics' local expertise and manufacturing capabilities to offer comprehensive natural solutions tailored to customers
- ▶ On May 9th, **Archer-Daniels-Midland (NYSE: ADM) (“ADM”)**, a US-based multinational food processing and commodity trading corporation, and **Innovafeed**, a France-based insect ingredient formulator, announced the establishment of the North American Insect Innovation Center (NAIIC) in Decatur, Illinois. This facility will scale up the production and commercialization of insect protein derived from black soldier fly larvae, utilizing ADM's agricultural by-products in a zero-waste framework. The new plant is expected to produce up to 60,000 metric tons of animal feed protein and 20,000 metric tons of oils annually, contributing to sustainable and resilient local food chains

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

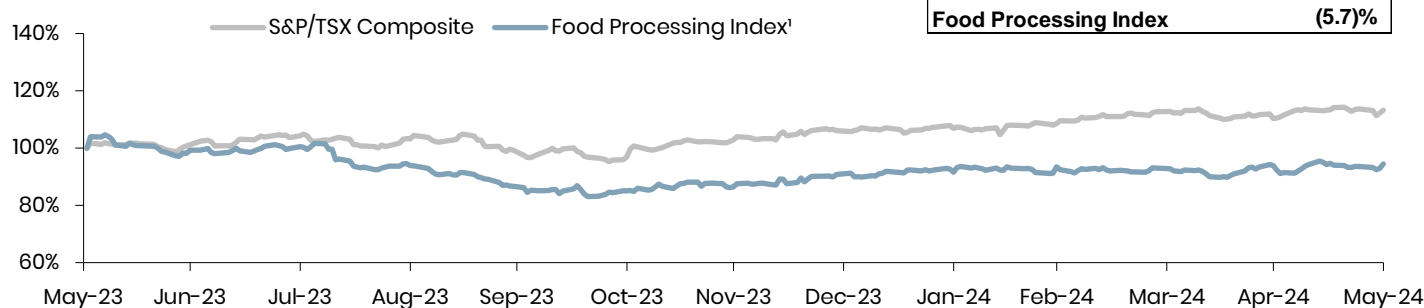
	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	30,873	43,261	7.4x	7.6x	11.2x	11.2x	0.9 %	(28.5)%
Bunge Limited	15,234	19,630	6.1x	6.5x	8.2x	8.9x	4.3 %	(7.7)%
The Andersons, Inc	1,769	2,418	7.3x	6.4x	18.0x	14.5x	1.1 %	(14.8)%
Graincorp Limited	1,233	1,906	10.5x	9.3x	23.6x	18.2x	0.1 %	(6.8)%
Ceres Global Ag	70	119	na	na	na	na	(4.9)%	(6.7)%
Mean			7.8x	7.5x	15.3x	13.2x	0.3 %	(12.9)%

News Scan

- ▶ On May 23rd, **KPS Capital Partners, LP (“KPS”)**, a US-based PE firm, announced that it has entered into a definitive purchase agreement to acquire **Tate & Lyle PLC’s (LSE: TATE.L)** remaining 49.7% ownership interest in **Primary Products Investments LLC (“Primient”)**, a US-based producer of food and industrial ingredients made from plant-based, renewable resources, for US\$350 million. Primient will leverage KPS’ resources to modernize operations, support growth initiatives, and enhance sustainability practices within the corn wet milling industry
- ▶ On May 16th, **Encore Consumer Capital**, a US-based PE firm, announced that it has acquired **Chalet Desserts (“Chalet”)**, a specialty manufacturer of frozen bakery desserts and baked good inclusions based in Sacramento, California, for an undisclosed amount. The acquisition, in partnership with Chalet’s founder and CEO Dave Laukat, will aim to support Chalet’s growth through add-on acquisitions, organic growth initiatives, and investments in capacity
- ▶ On May 15th, **Dessert Holdings**, a US-based premium dessert company, a portfolio company of **Bain Capital**, announced its acquisition of **Kenny’s Great Pies (“Kenny’s”)**, a US-based manufacturer of high-quality, clean-label, cream-based pies, from **Kaho Partners**, a US-based investment firm, for an undisclosed amount. Kenny’s complements Dessert Holdings’ existing portfolio, and Dessert Holdings will leverage its distribution network to promote Kenny’s signature key lime pie and other clean-label desserts
- ▶ On May 8th, **Central Valley Meat Holding Company (“Central Valley Meat”)**, a US-based beef processing company, announced that it has entered into an agreement to acquire the **Cargill Meat Solutions’ beef processing facility** in Fresno, California, from **Cargill, Inc.**, for an undisclosed amount. This acquisition will significantly expand Central Valley Meat’s processing capacity and support its growth in Western California
- ▶ On May 3rd, **L2 Capital Partners (“L2 Capital”)**, a US-based PE firm, announced its acquisition of **Kosmos Q, LLC (“Kosmos Q”)**, a US-based company that specializes in barbecue rubs, sauces, brines, injections, glazes, and accessories that are sold both direct-to-consumer and through retail channels, for an undisclosed amount. The acquisition will leverage L2 Capital’s operational and e-commerce expertise to expand Kosmos Q’s market presence and product offerings and promote Kosmos Q’s signature products through an enhanced distribution network

Relative Performance Index

YoY Change	
S&P/TSX	13.2 %
Food Processing Index	(5.7)%



Key Indicators

All Figures in USD millions unless indicated

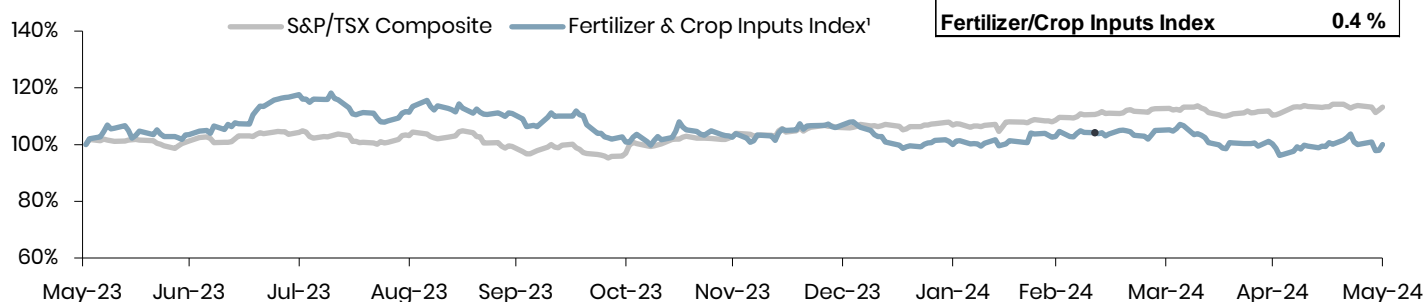
	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	8,577	11,189	9.2x	8.3x	15.5x	12.8x	(0.8)%	(22.5)%
Ingredion Incorporated	7,719	9,315	7.6x	7.3x	12.2x	11.4x	(0.6)%	(3.8)%
Premium Brands	2,910	4,932	9.9x	8.8x	18.2x	14.2x	(0.5)%	(21.3)%
Tate & Lyle plc	3,502	3,507	7.5x	7.0x	12.4x	11.6x	2.2 %	(13.5)%
Maple Leaf Foods Inc.	2,035	3,509	8.7x	7.3x	29.6x	13.6x	(2.5)%	(28.5)%
SunOpta Inc.	716	1,138	12.6x	10.6x	nmf	27.8x	13.3 %	(20.8)%
Rogers Sugar	547	824	8.3x	na	11.1x	na	(0.7)%	(3.2)%
High Liner Foods Incorporated	321	430	6.0x	5.4x	7.4x	6.5x	1.4 %	(10.3)%
Mean			8.7x	7.8x	15.2x	14.0x	1.5 %	(15.5)%

News Scan

- ▶ On May 23rd, **Vive Crop Protection**, a Canada-based company specializing in advanced crop input technology through its Precision Chemistry platform, announced that it has secured a Series C extension funding round from its existing shareholders **Urbana Corporation**, **Business Development Bank of Canada's (BDC) Cleantech Practice** and **Export Development Canada (EDC)**, for an undisclosed amount. This investment will enable Vive to advance its innovative technologies, expand into new markets, and continue developing sustainable agricultural solutions that enhance product performance and farmer profitability
- ▶ On May 15th, **Yara International ("Yara") (OB:YAR)** announced a two-year collaboration with **Kongsberg Digital ("Kongsberg")**, a Norway-based provider of industrial software, to develop digital twin technology for Yara's factories in Herøya, Norway, and Sluiskil, Netherlands. This collaboration aims to create an operational twin for the Herøya production facility and a project twin for the carbon capture project in Sluiskil, enhancing Yara's ability to optimize operations through detailed 3D models and data integration
 - On May 13th, **Yara** announced that it has signed a term sheet with **Greenko ZeroC**, the green ammonia production arm of the **AM Green**, an India-based energy transition solutions provider, for the long-term supply of renewable ammonia from AM Green's production facility in Kakinada, India. This agreement covers up to 50% of the renewable ammonia produced in Phase 1 of the facility, supporting Yara's efforts to produce low-emission fertilizer and decarbonize industries such as shipping and power generation
- ▶ On May 14th, **Allozymes**, a Singapore-based innovator in enzyme discovery and engineering, announced that it has closed a US\$15 million Series A funding round led by **Seventure Partners** from France and **Xora Innovation** from Singapore. This investment will be used to expand Allozymes' presence in Europe, forge strategic partnerships within the chemical and food industries, and develop a comprehensive enzyme data library to accelerate enzyme discovery
- ▶ On May 1st, **Croplands**, the emerging solutions spray equipment platform of **Nufarm (ASX:NUF)**, and **Robotics Plus**, a New Zealand-based agritech company, announced a partnership to introduce Prospr, an autonomous, multi-use hybrid vehicle platform for horticulture, to the Australian and New Zealand markets. This partnership aims to leverage Robotics Plus' expertise in robotics and AI with Croplands' experience in spraying solutions to benefit growers in the region

Relative Performance Index

YoY Change	
S&P/TSX	13.2 %
Fertilizer/Crop Inputs Index	0.4 %



Key Indicators

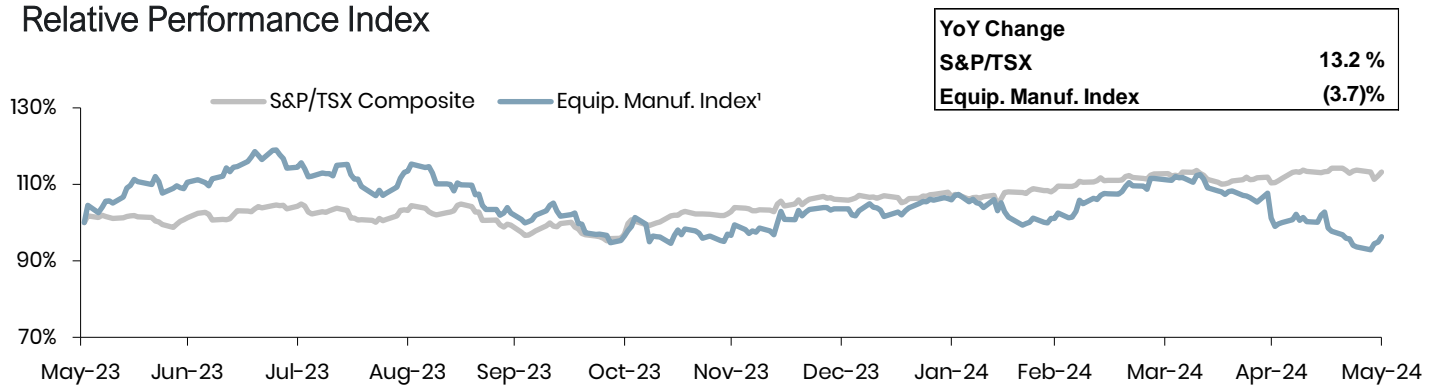
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Nutrien Ltd.	28,955	42,367	7.5x	7.3x	14.9x	13.7x	(3.3)%	(13.6)%
CF Industries Holdings, Inc.	14,573	18,648	8.1x	8.3x	13.6x	13.7x	0.1 %	(9.3)%
The Mosaic Company	9,941	14,617	5.9x	6.0x	11.2x	11.3x	(2.6)%	(27.8)%
Yara International ASA	7,872	11,838	5.9x	5.4x	nmf	nmf	(1.2)%	(25.0)%
Nufarm Ltd.	1,134	2,113	7.2x	6.1x	13.8x	10.7x	(12.2)%	(25.4)%
Mean			6.9x	6.6x	13.4x	12.4x	(3.9)%	(20.2)%

News Scan

- On May 21st, **Forever Feed Technologies (“Forever Feed”)**, a US-based provider of automated agricultural feed systems, announced that it has received an undisclosed investment from a coalition of fifteen leading dairy and beef producers from California, Texas, Indiana, and Michigan. This investment aims to accelerate the development of Forever Feed’s Automated Sprouted Grain (ASG) feed mills, which significantly reduce water usage and climate impact and enhance feed quality for cattle. The first ASG feed mill is under construction at River Ranch Dairy in Hanford, California, and is expected to be operational by the fourth quarter of this year
- On May 15th, **AgriWebb**, an Australia-based livestock management software company, announced that it has raised A\$11 million in funding from existing investors **Germin8 Ventures, Grosvenor Food & AgTech, Telus Ventures**, and new investor **Munters Group** from Sweden. This funding will be used to enhance AgriWebb’s digital platform, focusing on new features such as grazing management to further boost the livestock’s efficiency and sustainability
- On May 9th, **Rize**, a Singapore-based agritech platform focused on sustainable rice cultivation, announced that it has raised US\$14 million in a Series A funding round co-led by **Breakthrough Energy Ventures, GenZero, Temasek, and Wavemaker Impact**. This investment will enhance Rize’s technology stack, including its Measuring, Reporting, and Verification (MRV) technology, and support expansion into Indonesia, Vietnam, and other South and Southeast Asian countries
- On May 7th, **Carbon Robotics**, a US-based leader in AI-powered farming, announced that it has received an investment from **NVentures**, the venture capital arm of **NVIDIA (Nasdaq: NVDA)**, of US\$85 million. This investment aims to leverage AI to improve farming by enhancing Carbon Robotics’ LaserWeeder technology, which reduces weed control costs by 80% and increases crop yield and quality through precision agriculture
- On May 2nd, **Miraterra**, a Canada-based company specializing in advanced soil measurement technology, announced that it has closed a seed funding round led by **At One Ventures**, with participation from **S2G Ventures, One Small Planet, Overview Capital, iSelect Fund, Starshot Capital, Pelican Ag, and Cisco Foundation**, for an undisclosed amount. This funding will support the development and market introduction of Miraterra’s Digitizer, a device that combines remote sensing, proximal sensing, and advanced modeling to provide accurate, cost-effective soil analysis

Relative Performance Index



Key Indicators

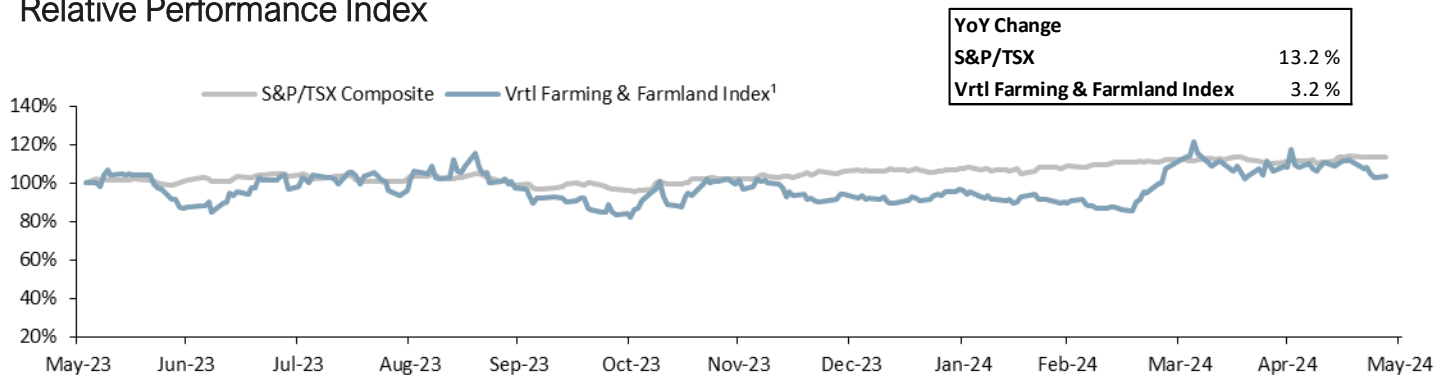
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	103,273	166,608	16.2x	15.1x	15.0x	15.0x	(1.5)%	(17.9)%
CNH Industrial N.V.	13,279	39,097	14.5x	14.3x	7.1x	7.0x	(3.9)%	(34.9)%
AGCO Corporation	8,009	9,542	5.2x	5.0x	7.6x	8.8x	(2.7)%	(26.1)%
Ag Growth International Inc.	727	1,378	6.1x	5.7x	8.6x	7.6x	10.6 %	(20.3)%
Mean			10.5x	10.1x	9.6x	9.6x	(2.7)%	(26.3)%

News Scan

- On May 22nd, **Mucci Farms**, a Canada-based grower and marketer of fresh fruits and vegetables, announced that it has acquired **Hacienda North Farms**, a 159-acre greenhouse facility specializing in growing bell peppers in Coatsworth, Ontario, for an undisclosed amount. This acquisition will expand Mucci Farms' greenhouse footprint and enhances its ability to serve retail partners across North America
- On May 20th, **Nature's Miracle Holding Inc. (NASDAQ: NMHI)**, a US-based leader in vertical farming technology and infrastructure, and **Agrify Corporation (NASDAQ: AGFY)**, a US-based leading provider of innovative cultivation and extraction solutions, announced that they have mutually agreed to terminate their plan to merge, originally announced on May 16th. This transaction was cancelled due to the current unfavorable market conditions
- On May 14th, **Oji Holdings Corporation ("Oji Holdings") (TYO: 3861)**, a Japan-based pulp and paper company, announced that it has signed an asset transfer agreement with **The Rohatyn Group**, a US-based asset manager, to acquire 41,000 hectares of forest plantation in the Tacuarembó and Rivera departments in Northern Uruguay, for US\$288 million. This acquisition will support Oji Holdings' Environmental Action Program 2030 by expanding its overseas production forests to increase CO₂ net absorption and promote sustainable forest management
- On May 14th, **Domain Capital Group, LLC**, a US-based private investment management services firm, and its subsidiary, **Domain Timber Advisors, LLC ("DTA")**, announced that it has acquired five new timberland assets totaling 5,800 acres across Mississippi, Alabama, Virginia, and Georgia, for an undisclosed amount. The acquisition is part of a broader strategy involving sixteen transactions across seven states, which aims to enhance DTA's Southeastern US-focused timberland portfolio, averaging 2,000 acres across seven states
- On May 9th, **Peoples Company**, a US-based leader in integrated land management, brokerage, appraisal, and energy solutions, announced that it has acquired **The Atkins Group's Farmland Management portfolio**, consisting of 14,000 acres in Illinois, for an undisclosed amount. This acquisition will enhance Peoples Company's presence in Illinois and will lead to the opening of a new office in Champaign-Urbana, Illinois

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	na	na	na	na	na	(0.8)%	(18.2)%
Gladstone Land Corporation	484	1,052	12.4x	11.5x	14.2x	14.0x	1.3%	(22.8)%
Local Bounti Corporation	25	397	7.1x	4.2x	neg	nmf	(6.1)%	(54.0)%
Hydrofarm Holdings Group, Inc.	36	193	1.0x	0.9x	45.7x	16.6x	0.1%	(51.8)%
Village Farms International, Inc.	132	185	0.6x	0.5x	13.5x	8.6x	3.5%	(26.5)%
Mean			5.3x	4.3x	24.5x	13.1x	(0.4)%	(34.7)%



News Scan

- ▶ On May 28th, **Food Ingredients 1st** reported that UK food inflation is back to normal levels, according to the British Retail Consortium (BRC). It plunged to 3.2% this month, down from 3.4% in April and is below the three-month average rate of 3.5%, marking the thirteenth consecutive deceleration in the food category. Fresh and ambient food inflations have declined to 2.0% and 4.8% this month respectively
- ▶ On May 22nd, **Reuters** reported that a second human case of bird flu has been confirmed in the United States since the virus was first detected in dairy cattle in late March, according to US officials. The infection of a dairy worker in Michigan expands the outbreak of the virus that has circulated in poultry for years, though the US CDC said the risk to the general public remains low
- ▶ On May 21st, **Successful Farming** reported that the US Department of Agriculture announced US\$300 million in funding for more than 60 groups seeking to diversify American agricultural exports. The program focuses on tapping US exports into new markets in regions such as South and Southeast Asia, Latin America, the Middle East, and Africa
- ▶ On May 15th, **Reuters** reported that according to Canadian government officials, samples of commercially sold milk as of May 14 have shown "no evidence" of H5N1 bird flu after enhanced testing aimed at alleviating Canadians concerns following the virus' detection in some US dairy cattle
- ▶ On May 14th, **Food Ingredients 1st** reported that the European Council (EC) has approved the suspension of import duties and quotas on Ukrainian and Moldovan exports to the EU for another year as part of continued support for Ukraine more than two years into the war with Russia
- ▶ On May 10th, **The Globe and Mail** reported that the Biden administration said that it will provide nearly US\$200 million to fight the spread of avian flu among dairy cows, in the government's latest bid to contain outbreaks that have fueled concerns about human infections with the H5N1 virus
- ▶ On May 7th, **The Western Producer** reported that there is speculation that Bunge may have to sell its ownership stake in G3 Global Holdings to appease Canadian regulators scrutinizing its proposed takeover of Viterra. G3 Global Holdings is the majority owner of G3 Canada Ltd., which operates 19 grain elevators in Western Canada and one in Quebec and port terminals in Thunder Bay, Hamilton, Quebec City and Trois Rivières. G3 Global is 75 per cent owned by the Saudi Agricultural and Livestock Investment Company (SALIC) and 25 per cent owned by Bunge
- ▶ On May 7th, **Food Ingredients 1st** reported that extra virgin olive oil prices have skyrocketed to an unprecedented level, a direct consequence of the harsh realities of climate change and the burden of high interest rates. The most influential olive markets in the EU — Bari (Italy), Chania (Greece) and Jaén (Spain) — are grappling with historic price surges, while global production has plummeted from 3.4 metric tons last year to 2.3 metric tons this year
- ▶ On May 3rd, **World Grain** reported that increasing meat prices and small upticks in vegetable oil and cereal pushed the benchmark index for world food commodity prices up 0.3 points in April, the Food and Agriculture Organization (FAO) of the United Nation said. The FAO Food Price Index stood at 119.1 points, registering a second monthly uptick following a seven-month long declining trend. However, the index was down 9.6 points or 7.4% from its value a year ago.
- ▶ On May 3rd, **Food Ingredients 1st** reported that the EU is set to ban several smoke flavorings commonly used in meat and cheese products, soups, sauces and snacks after food safety authorities linked the ingredients to genotoxicity health concerns. The phasing out of these artificial flavorings has forced food manufacturers to pursue alternatives, including natural solutions

Commodities Futures as of May 31, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.46	(0.11)%	(24.68)%
Wheat (CBOT)	\$ per bu.	\$6.79	12.47 %	11.09 %
Oats (CBOT)	\$ per bu.	\$3.88	4.87 %	14.31 %
Rough Rice (CBOT)	\$ per cwt.	\$15.78	(18.15)%	6.73 %
Rapeseed (Canola) (ICE)	CAD per T	\$661.00	6.96 %	4.31 %
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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