

July 2024

Industry Highlights on

Food & Agriculture

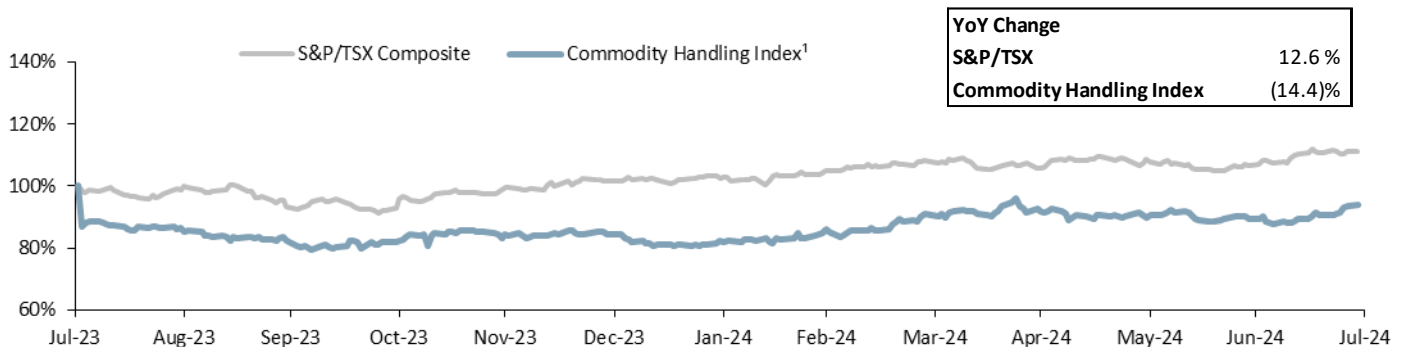


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On July 26th, **Viserion Grain, LLC ("VGC")**, a US-based grain company and portfolio company of **Pinnacle Asset Management, L.P.**, a US-based alternative asset management firm, announced that it has acquired four grain elevator assets, from **Greenfield Grain, LLC**, a US-based grain company, for an undisclosed amount. The deal will enhance VGC's ability to connect local producers to domestic and international agricultural supply chains, enhancing its grain storage, transportation and commercial management capabilities across the central and southern US
- ▶ On July 24th, **NativeSeed Group ("NativeSeed")**, a US-based provider of conservation and premium forage seed and portfolio company of **Heartwood Partners**, a US-based PE firm, announced that it has acquired **Arrow Seed**, a US-based producer and supplier of native grass, wildflower, forage, turf grass, and small grain seeds, for an undisclosed amount. This acquisition will expand NativeSeed's geographic footprint into the Midwest and bolster its product portfolio with expanded warm-season seed varieties
- ▶ On July 12th, **Archer Daniels Midland Company ("ADM") (NYSE: ADM)**, a US-based multinational food processing and commodities trading corporation, and **LG Chem**, a South Korea-based chemical company, announced that their previously announced joint ventures in 2022 for the production of lactic and polylactic acid will not move forward due to skyrocketing construction costs
- ▶ On July 3rd, **Ceres Global Ag Corp. ("Ceres") (TSX: CRP)**, a Canada-based global agricultural, energy, and industrial products merchandising and supply chain company, announced that **United Farmers of Alberta Co-operative Limited ("UFA")**, a Canada-based agricultural co-operative, has acquired Ceres' 17% stake in **Canterra Seeds Holdings Ltd.**, a Canada-based developer and marketer of seed varieties for Western Canadian farmers, for C\$2.5 million. This transaction will allow Ceres to streamline its asset footprint and focus on its core business while improving efficiencies

Relative Performance Index



Key Indicators

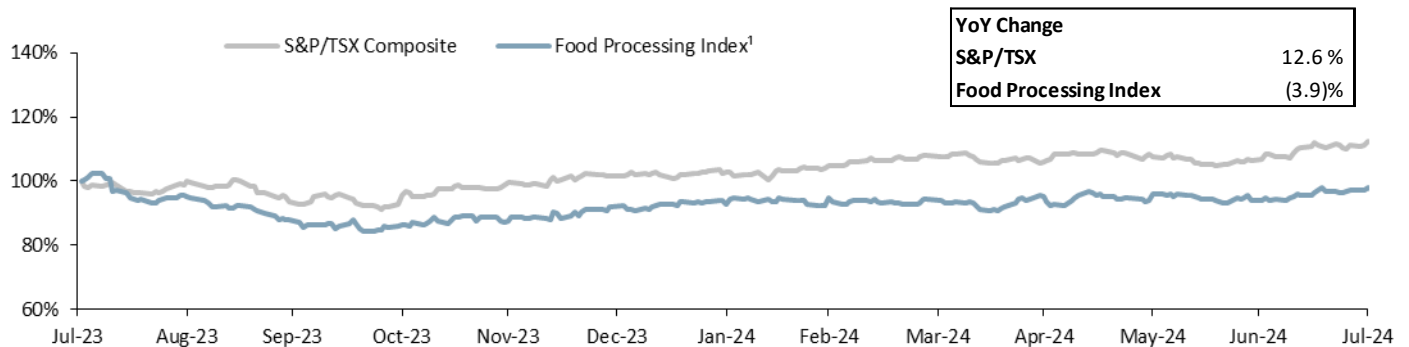
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	29,650	41,445	7.2x	7.2x	11.4x	11.5x	(9.1)%	(33.0)%
Bunge Limited	14,906	20,855	6.1x	6.5x	8.2x	8.9x	(16.5)%	(17.6)%
The Andersons, Inc	1,843	2,033	6.1x	5.4x	17.3x	13.8x	(13.8)%	(22.9)%
Graincorp Limited	1,298	2,010	11.8x	9.5x	24.5x	17.9x	(1.3)%	(7.3)%
Ceres Global Ag	65	113	na	na	na	na	4.7%	(12.7)%
Mean			7.8x	7.2x	15.4x	13.0x	(7.2)%	(18.7)%

News Scan

- ▶ On July 24th, **Ferrero**, an Italy-based global confectionery company, announced that it has entered into an agreement to acquire **Nonni's Bakery**, a US-based manufacturer of premium artisanal biscotti cookies and baked goods, from **Vestar Capital Partners**, a US-based middle-market PE firm, for an undisclosed amount. The acquisition will strengthen Ferrero's presence in North America and continue its growth in the sweet-packaged food industry globally
- ▶ On July 23rd, **Verlinvest**, a Belgium-based investment company, in partnership with **Mistral Equity Partners**, a US-based PE firm specializing in the consumer and media sectors, announced that they have entered into an agreement with **Krispy Kreme, Inc. (NASDAQ: DNUT)**, a US-based sweet treat brand, to acquire **Insomnia Cookies**, a US-based bakery brand focused on cookies, for US\$350 million. The deal will support Insomnia Cookies' goal of opening 1,500 additional bakeries in the US and expand into international markets
- ▶ On July 16th, **Legacy Bakehouse**, a US-based developer and manufacturer of baked snack components and portfolio company of **Benford Capital Partners**, a US-based PE firm, announced that it has completed the acquisition of the assets of **Angelic Bakehouse**, a US-based producer of sprouted baked foods, from **T. Marzetti Company**, a US-based specialty foods producer, for an undisclosed amount. The acquisition will double Legacy Bakehouse's production capacity and enable its expansion into tortillas and other adjacent products
- ▶ On July 16th, **Regal Confections ("Regal")**, a Canada-based distributor of global candy, freeze pops, and chocolate confectionery and portfolio company of Canada-based **Clearspring Capital Partners**, announced that it has acquired **Mondoux Confectionery ("Mondoux")**, a Canada-based confectionery provider, for an undisclosed amount. The deal will enhance Regal's market presence in the Quebec Convenience & Gas channel and expand its product range with Mondoux's well-established brands like Sweet Sixteen and Giacomo
- ▶ On July 9th, **Maple Leaf Foods Inc. ("Maple Leaf Foods") (TSX: MFI)**, a Canada-based producer of packaged meats and plant-based protein products, announced a plan to separate into two independent public companies. The spin-off will create a new entity focused on pork production ("Pork Company"), while Maple Leaf Foods will continue as a consumer-packaged goods company. The new Pork Company, to be named later, will be led by Dennis Organ, and Maple Leaf Foods will retain a 19.9% ownership stake in the new entity. This strategic move is expected to unlock significant growth potential for both companies by allowing each to focus on its distinct value proposition and growth opportunities

Relative Performance Index



Key Indicators

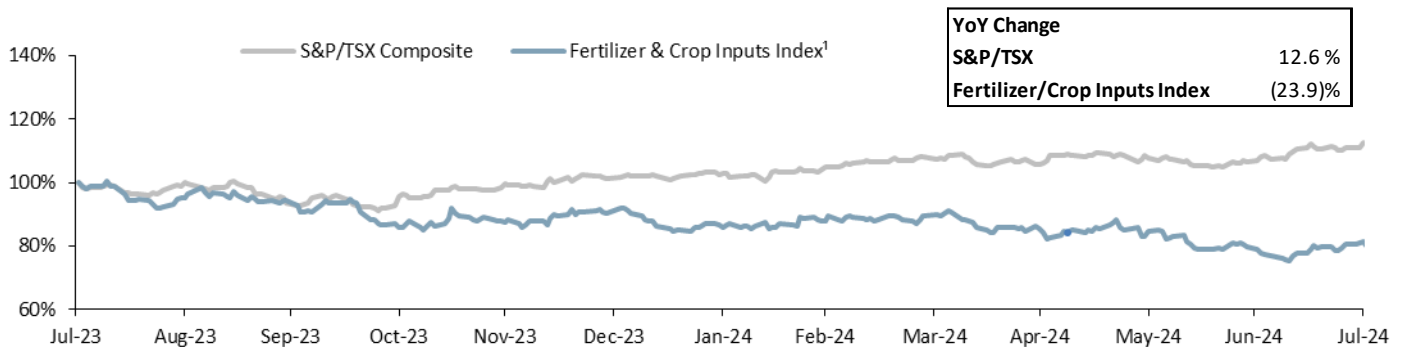
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	9,747	12,378	10.2x	8.6x	18.6x	14.6x	(1.4)%	(2.9)%
Ingredion Incorporated	8,165	9,699	8.0x	7.6x	12.5x	11.8x	(1.0)%	(8.2)%
Premium Brands	3,002	5,000	10.2x	9.1x	19.1x	14.8x	(3.5)%	(21.4)%
Tate & Lyle plc	3,266	3,320	7.3x	6.3x	12.0x	11.1x	(3.4)%	(16.9)%
Maple Leaf Foods Inc.	2,247	3,711	9.3x	7.6x	33.6x	15.0x	2.5%	(16.3)%
Lassonde Industries Inc.	741	1,098	6.0x	5.2x	6.5x	5.9x	(1.3)%	(6.3)%
SunOpta Inc.	633	1,078	11.9x	10.1x	50.0x	24.5x	0.0%	(30.5)%
Rogers Sugar	532	814	8.3x	na	10.9x	na	(0.2)%	(4.2)%
Mean			8.9x	7.8x	20.4x	13.9x	(1.0)%	(13.3)%

News Scan

- ▶ On July 29th, **ICL Group (NYSE and TASE: ICL)**, an Israel-based global specialty minerals company, announced that it has acquired **Custom Ag Formulators**, a US-based provider of customized agriculture formulations and products for growers, for US\$60 million. This acquisition aims to support ICL's goal of expanding its Growing Solutions product offerings and positioning the business for further growth in new and adjacent end-markets
- ▶ On July 29th, **Stanley Capital Partners**, a UK-based PE firm, in partnership with **Goldman Sachs Alternatives** as a minority co-investor, announced that they have entered into an agreement with **Excellere Partners**, a US-based PE firm, to acquire **SePRO Corporation ("SePRO")**, a US-based specialty environmental restoration company focused on water quality and specialty agriculture, for an undisclosed amount. This partnership will support SePRO's mission of protecting, preserving, and restoring nature and help expand its product offerings
- ▶ On July 25th, **Micropep Technologies ("Micropep")**, a France-based developer of natural crop protection solutions using micropeptide technology, announced that it has raised US\$29 million in a Series B funding round, led by **Zebra Impact Ventures** and **BPI Green Tech Investment**, with participation from existing investors **Fall Line Capital**, **FMC Ventures**, **Sofinnova Partners**, **Supernova Invest**, and **IRDI Capital Investissement**. The funds will accelerate Micropep's go-to-market strategy, complete regulatory studies of its first biofungicide molecule, and expand its pipeline of micropeptide active ingredients on the Krisalix platform
- ▶ On July 22nd, **Interoceanic Corporation ("IOC")**, a US-based supplier of chemical products, announced that it has acquired all the fertilizer assets of **Sunniland**, a US-based roofing and fertilizer company, for an undisclosed amount. Following completion of the transaction, IOC will strengthen its geographical footprint and increase its service capabilities to consumer retail partners and other customers by leveraging the strategic location of Sunniland's facility in Longwood, Florida
- ▶ On July 11th, **FMC Corporation (NYSE: FMC)**, a US-based global agricultural sciences company, announced that it has signed a definitive agreement to sell its **Global Specialty Solutions (GSS) business**, which provides products for non-crop markets such as golf courses, professional sports stadiums, and pest control, to **Envu**, a US-based environmental science company and portfolio company of **Cinven**, a global PE firm, for US\$350 million. The sale will enable FMC to focus on its core business of crop protection products while allowing Envu to expand its portfolio and drive growth in the environmental science sector

Relative Performance Index



Key Indicators

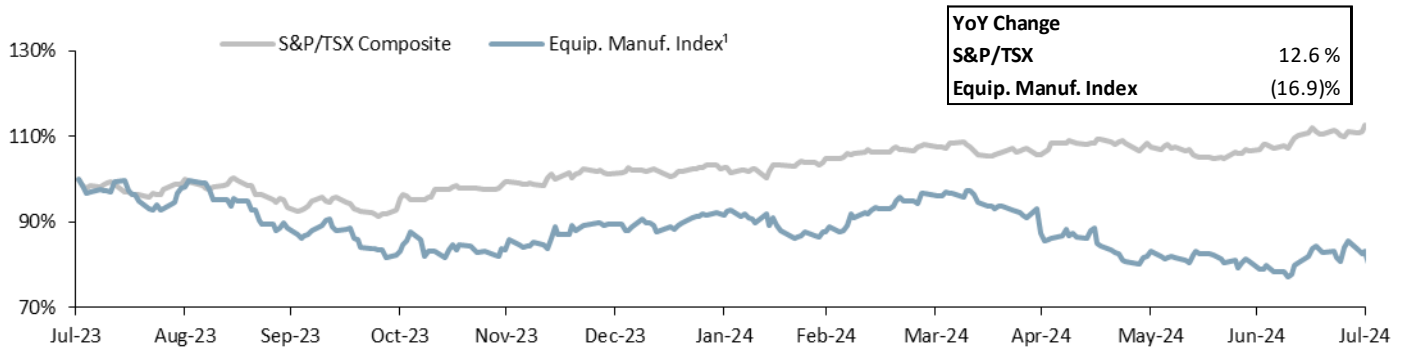
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Nutrien Ltd.	25,360	39,011	6.9x	6.8x	13.3x	12.2x	(6.2)%	(28.2)%
CF Industries Holdings, Inc.	13,963	18,034	8.1x	8.1x	13.6x	13.7x	(2.9)%	(17.1)%
The Mosaic Company	9,516	13,694	5.4x	5.6x	11.4x	11.7x	(10.3)%	(38.1)%
Yara International ASA	7,251	10,853	5.5x	5.1x	nmf	nmf	(7.1)%	(29.7)%
Nufarm Ltd.	1,163	2,135	7.4x	6.8x	14.4x	11.2x	(1.1)%	(26.7)%
Mean			6.6x	6.5x	13.2x	12.2x	(5.5)%	(27.9)%

News Scan

- ▶ On July 25th, **American Industrial Partners (“AIP”)**, an industrials investor, announced that it has reached a definitive agreement with **AGCO Corporation (NYSE: AGCO)**, one of the world’s largest designers, manufacturers and distributors of agricultural machinery and precision agriculture technology, to acquire its **Grain & Protein division**, which designs, manufactures, and globally markets grain storage and seed processing equipment and solutions, for US\$700 million. AIP’s vast experience in industrial carve-outs will help the Grain & Protein division unlock new growth
- ▶ On July 22nd, **Monarch Tractor**, the US-based creator of the MK-V, the world's first fully electric, driver-optional smart tractor, announced that it has raised US\$133 million in a Series C funding, in a round co-led by **Astanor** and **HH-CTBC Partnership, L.P.**, with additional support from **At One Ventures, PMV**, and **The Welvaartsfonds**. This investment will support the further development of Monarch’s AI product offering and expand its operational footprint domestically and globally
- ▶ On July 10th, **Aryatech Platforms Pvt. Ltd. (d/b/a “Arya.ag”)**, an India-based integrated grain commerce platform, announced that it has raised US\$29 million in a pre-Series D funding round, led by **Blue Earth Capital AG**, a Switzerland-based impact investment firm, with participation from existing investors **Asia Impact SA** and **Quona Capital**. This funding will help Arya.ag expand its reach, enhance its offerings, and drive sustainable growth, aiming to impact over 10 million farmers, facilitate \$3 billion in finance, and increase its storage footprint by four times in the next 3-4 years
- ▶ On July 3rd, **InnerPlant**, a US-based agtech company that genetically engineers plants to improve distress signaling, announced that it has raised US\$30 million in a Series B funding, in a round led by **Coutts Agro**, with participation from **Systemiq Capital, Deere & Company**, and **Bison Ventures**. This investment will support the rollout of InnerPlant’s insight platform for soybeans, accelerate R&D on additional stress signals, and further work with seed partners to integrate InnerPlant’s traits into elite germplasm for broader seed sales
- ▶ On July 2nd, **eAgronom**, an Estonia-based agriculture-focused climate tech company, announced that it has secured €10 million in a Series A2 equity round, led by **Swedbank AB**, with additional participation from **Icos Capital, Soulmates Ventures**, and **SmartCap Green Fund**. This funding will expand eAgronom’s sustainable agriculture programs, particularly in carbon insetting and sustainable financing, and support the rollout of its Carbon Program

Relative Performance Index



Key Indicators

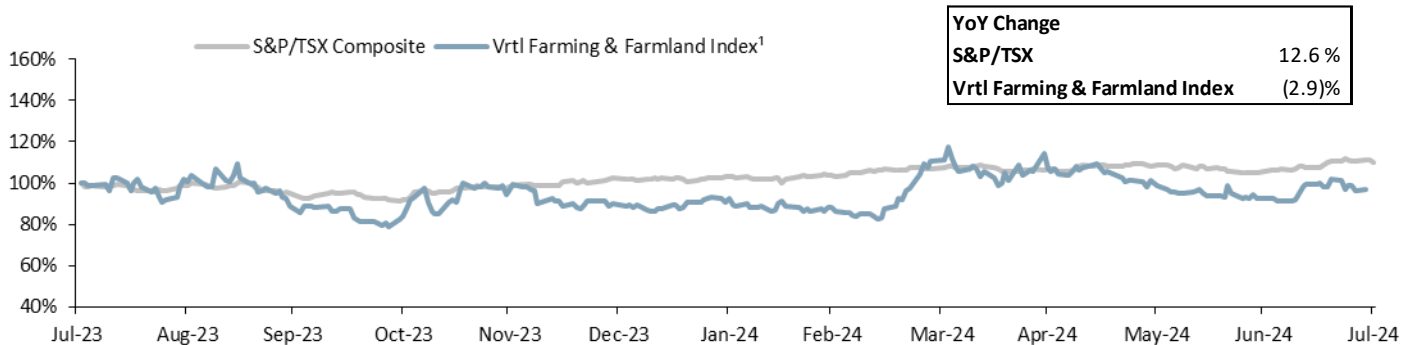
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	102,507	165,828	16.4x	15.6x	15.3x	14.3x	(10.8)%	(21.9)%
CNH Industrial N.V.	13,353	39,184	15.2x	15.3x	8.0x	7.9x	(6.3)%	(31.4)%
AGCO Corporation	7,046	10,661	7.3x	5.6x	6.7x	12.0x	(15.3)%	(34.1)%
Ag Growth International Inc.	786	927	4.2x	3.9x	9.4x	8.4x	(6.9)%	(16.6)%
Mean			10.8x	10.1x	9.9x	10.6x	(10.8)%	(29.1)%

News Scan

- ▶ On July 30th, **Elevate Farms Inc. ("Elevate Farms")**, a Canada-based developer of vertical farming technology, announced that it has raised US\$2.5 million in a pre-Series B funding round, which saw participation from **Brightspark Ventures**, **Orange Ridge Capital**, and private investors from Canada, Portugal, and Switzerland. The funding will support the expansion of Elevate Farms' vertical farming operations in Europe and the US, with new large-scale farm projects planned in Switzerland, Pennsylvania, and Arizona
- ▶ On July 24th, **Farmland LP**, a US-based investment fund specializing in converting conventional farmland to organic and sustainably managed farmland, announced that it has acquired three properties in Northern California's Sacramento Delta, totaling 2,625 acres, for US\$35.6 million. This acquisition will enhance Farmland LP's portfolio by adding prime farmland with mature almond orchards and secured water rights
- ▶ On July 17th, **GrowUp Farms ("GrowUp")**, a UK-based vertical farming business, announced that it has received a £38 million investment from **Generate Capital**, a US-based sustainable infrastructure investment firm. This funding will support the expansion of GrowUp's Kent vertical farm, drive R&D at its Leaf Lab site in Cambridge, help meet the growing demand for GrowUp's ready-to-eat salads, and promote sustainable, pesticide-free food production in the UK
- ▶ On July 9th, **Fiera Comox Partners Inc. ("Fiera Comox")**, a Canada-based global investment manager, announced that it has signed a joint venture agreement with **Ngāi Tahu Holdings ("Ngāi Tahu")**, a New Zealand-based investment firm, under which Fiera Comox will acquire an 85% interest in the forestry estate on the West Coast of New Zealand's South Island, containing 45,500 hectares of radiata pine and Douglas fir plantation forests, for an undisclosed amount. The strategic acquisition is expected to generate long-term sustainable value for the West Coast communities and the Ngāi Tahu people
- ▶ On July 2nd, **IDeA Agro**, a PE fund managed by Italy-based **DeA Capital Alternative Funds SGR**, announced that it has acquired a majority stake in **S.P.O. Zentrum Group ("Zentrum")**, an Italy-based producer and distributor of fresh fruits and vegetables, primarily citrus fruits, for an undisclosed amount. The acquisition will enhance the production and distribution capabilities of Zentrum and position it as a national market leader in Italy

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
Gladstone Land Corporation	532	1,108	13.0x	12.2x	15.5x	15.2x	(1.8)%	(13.3)%
Farmland Partners Inc.	508	1,008	18.2x	17.6x	28.8x	28.0x	(9.4)%	(21.6)%
Local Bounti Corporation	23	396	7.1x	4.1x	neg	nmf	4.6%	(56.7)%
Hydrofarm Holdings Group, Inc.	29	185	0.9x	0.9x	nmf	18.3x	(2.4)%	(60.7)%
Village Farms International, Inc.	126	179	0.6x	0.5x	11.8x	7.5x	0.9%	(31.5)%
Mean			6.7x	5.8x	20.3x	17.9x	(1.6)%	(42.6)%

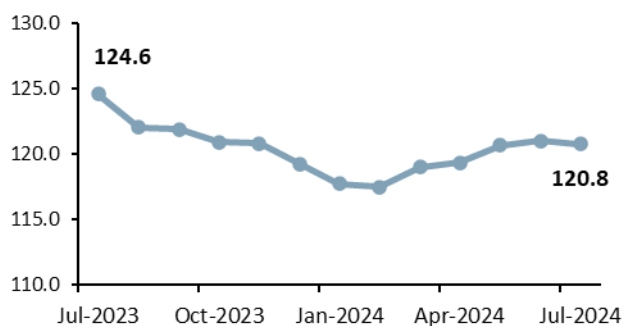
News Scan

- ▶ On July 31st, **Reuters** reported that The US Department of Agriculture issued US\$2 billion of financial assistance under the Inflation Reduction Act to more than 43,000 farmers, ranchers and forest landowners who experienced past discrimination in the agency's farm lending programs. For decades, Black farmers and other under-represented groups in farming have alleged bias in the agency's farm loan programs
- ▶ On July 26th, **Food Ingredients 1st** reported that the US is moving to pass a federal bill to ban commercial octopus farming as well as octopus imports. The move comes amid rising concerns over the environmental, ethical, and public health challenges associated with octopus farming
- ▶ On July 25th, **Reuters** reported that the Colorado Department of Public Health and Environment announced three additional human cases of bird flu among poultry farm workers, bringing the total number of confirmed human cases in the US this year to 13
- ▶ On July 21st, **Reuters** reported that speculators last week established another record net short in Chicago-traded soybeans as strong US crop prospects and an oversupply of beans in China have dragged futures to near four-year lows. In the week ended July 16, money managers expanded their net short in CBOT soybean futures and options to a new high of 185,750 contracts from 172,605 a week earlier
- ▶ On July 17th, **The Wall Street Journal** reported that Beyond Meat, the purveyor of plant-based meat substitutes, has engaged with a group of bondholders to initiate discussions about a balance-sheet restructuring, according to people familiar with the matter. The company's Chief Financial Officer, Lubi Kutua, said on a February earnings call that the company planned to bolster its liquidity and potentially restructure its balance sheet this year
- ▶ On July 16th, **Successful Farming** reported that estimates for Brazil's corn output continue to shrink. The total corn output is down 1.41 million metric tons (mmt) to 147.3 mmt, according to Brazil's National Supply Company (Conab). This is 12.2% lower than last year's output. The second corn crop was down 3.4% from the previous forecast to 88 mmt. The drop in production is attributed to a year with "intensified El Niño with an influence over the crops since the early plantings," according to Conab
- ▶ On July 15th, **Agriculture Drive** reported that over 9,200 unionized workers from Canadian National and Canadian Pacific Kansas City Southern—Canada's largest railroads—overwhelmingly voted in favour of going on strike unless a new labor deal is reached. This announcement marks the second time the union has authorized a strike this year and is expected to bring "devastating consequences" to the North American economy
- ▶ On July 8th, **Food Ingredients 1st** reported that world food prices remained consistent in June after three consecutive monthly spikes, as a surge in vegetable oil, sugar and dairy products prices offset a decrease in the price of cereals. Meanwhile, the meat index was "virtually unchanged" from May. The FAO Food Price Index averaged 120.6 points in June, the same as its revised figure for May. The index sits at 2.1% lower than its past year's value and 24.8% below its March 2022 peak of 160.3 points
- ▶ On July 7th, **Food Dive** reported that the US Food and Drug Administration banned the use of brominated vegetable oil in foods and beverages last week after determining the ingredient is unsafe. The decision was made after the government department collaborated with the National Institute of Health on a series of studies which found the ingredient had adverse health effects
- ▶ On July 3rd, **Food Ingredients 1st** reported that according to new figures from the British Retail Consortium (BRC), food inflation rates decelerated to 2.5% in June, down from 3.2% in May. This is below the three-month average rate of 3.0% and is the fourteenth consecutive deceleration in the food category. Food inflation is currently at its lowest since December 2021

Commodities Futures as of July 31st, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.00	(5.10)%	(21.19)%
Wheat (CBOT)	\$ per bu.	\$5.27	(9.25)%	(19.16)%
Oats (CBOT)	\$ per bu.	\$3.20	0.95 %	(29.65)%
Rough Rice (CBOT)	\$ per cwt.	\$15.25	1.26 %	(3.76)%
Rapeseed (Canola)(ICE)	CAD per T	\$623.90	(4.18)%	(19.92)%
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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