

August 2024

Industry Highlights on

Food & Agriculture

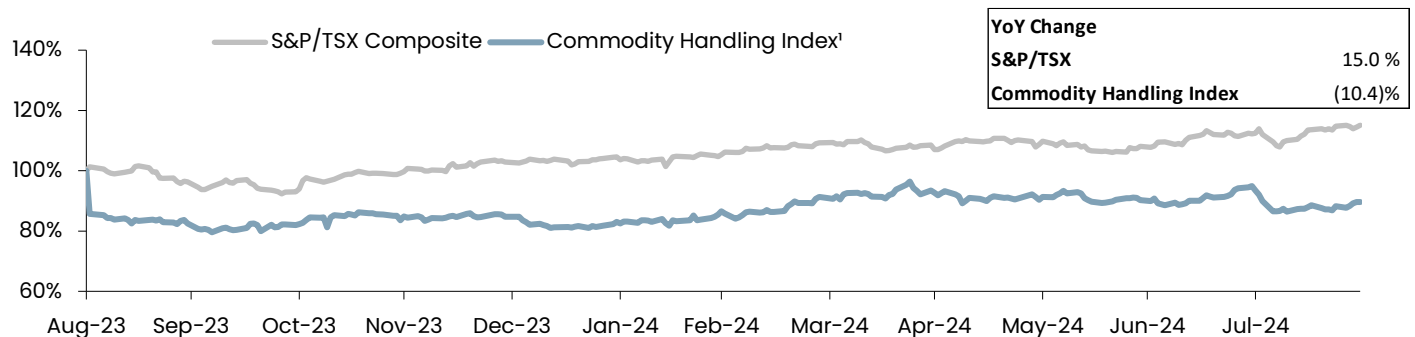


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On August 19th, **ADM (NYSE: ADM)**, a US-based global agricultural supply chain manager and processor, and **Farmers Business Network ("FBN")**, a US-based digital marketplace and farmer network, announced the launch of **Gradable**, a 50:50 joint venture focused on promoting regenerative and sustainable practices in grain production. By leveraging ADM's vast network to scale its impact across the grain supply chain, Gradable will enable grain farmers to track and verify their sustainable practices, earn financial rewards, and connect with grain buyers seeking sustainably produced grains
- ▶ On Aug 16th, **Alamo Group Inc. (NYSE: ALG)**, a US-based manufacturer of agricultural equipment and related replacement parts, announced the sale of its **Herschel Parts business** to **F.P. Bourgalt Tillage Tools Ltd. Herschel Parts**, a manufacturer of high-quality agricultural replacement and wear parts based in Indianola, Iowa. This sale will allow Alamo Group to better allocate resources and focus on core operation
- ▶ On August 9th, **Above Food Ingredients Inc. ("Above Food") (Nasdaq: ABVE, ABVE.W)**, a US-based vertically integrated food company, announced that it has entered into a definitive agreement to acquire the **Specialty Crop Food Ingredients Division of The Redwood Group, LLC ("TRG")**, a US-based supplier of grains, pulses, and specialty crops, for US\$34 million. This acquisition significantly expands Above Food's grain sourcing, manufacturing, and distribution capabilities in the US, supporting its "Seed-to-Fork" strategy and enhancing its presence in the grain and specialty crop markets
- ▶ On August 8th, **CHS Inc.**, the largest farmer-owned cooperative in the US, announced a 50:50 joint venture with **Rumo**, Brazil's largest rail operator, to build and operate a grain terminal at the Port of Santos, Brazil. The terminal, expected to handle 9 million tonnes of grains and 3.5 million tonnes of fertilizers annually, will enhance CHS's capacity to export soybeans and corn from Brazil, supporting its position as a competitive global supplier of grains and oilseeds
- ▶ On August 1st, **Ampol**, Australia's largest transport energy provider, **GrainCorp**, and **IFM Investors**, a major Australian infrastructure investment firm, signed a MoU to create an integrated renewable fuels industry in Australia. The partnership will focus on developing a renewable fuels facility at Ampol's Lytton Refinery in Brisbane, with GrainCorp supplying canola oil and other feedstocks, with the aim of building a competitive renewable fuels industry, advancing the decarbonization of transport

Relative Performance Index



Key Indicators

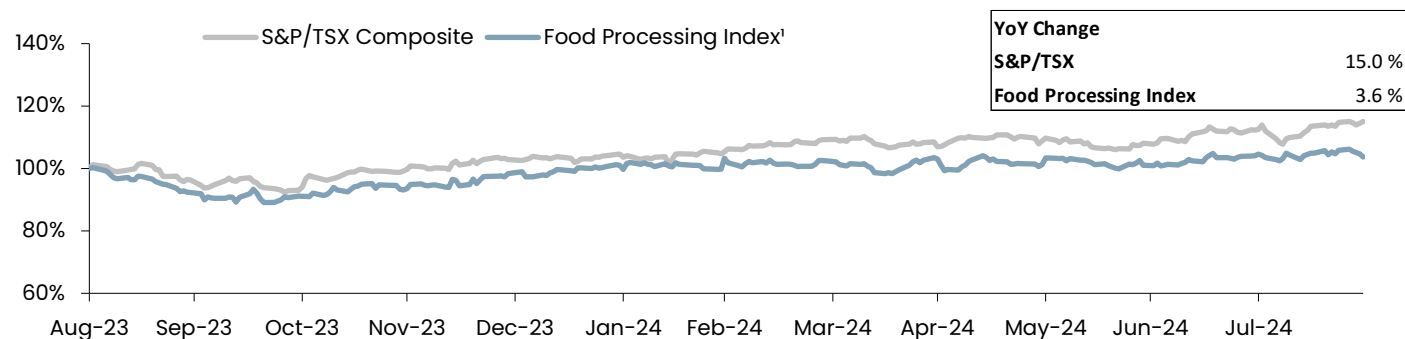
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	29,162	40,951	7.1x	7.1x	11.2x	11.3x	(2.4)%	(26.5)%
Bunge Limited	14,361	20,296	6.1x	6.5x	8.2x	8.9x	(2.4)%	(15.0)%
The Andersons, Inc	1,724	2,083	6.3x	5.8x	16.4x	14.2x	(4.6)%	(22.2)%
Graincorp Limited	1,313	2,051	11.6x	9.0x	23.2x	16.4x	(0.8)%	(7.7)%
Ceres Global Ag	65	114	na	na	na	na	(3.1)%	(15.5)%
Mean			7.8x	7.1x	14.8x	12.7x	(2.7)%	(17.4)%

News Scan

- ▶ On August 20th, **Alberta Investment Management Corporation ("AIMCo")**, one of Canada's largest institutional investment managers, announced that it has entered into an agreement to acquire the **Yeeda Aggregation** in Western Australia, which includes the Kimberly Meat Company (KMC), the only export-accredited beef processing facility in the region, Yeeda Station, a 475,000-hectare cattle station, and the Kimberly Property Portfolio (KPP), for an undisclosed amount. The acquisition aims to create a vertically integrated beef production and processing business, enhancing AIMCo's investment in Australian agriculture and complementing its existing Yougawalla Pastoral Co operations
- ▶ On August 14th, **Mars, Incorporated ("Mars")**, a US-based global leader in pet care, snacking, and food, announced a definitive agreement to acquire **Kellanova (NYSE: K)**, a US-based global snacking company, for US\$35.9 billion. Kellanova's portfolio complements the existing Mars snacking portfolio, with the deal adding several new brands, including two billion-dollar brands — Pringles and Cheez-It — to its business
- ▶ On August 14th, **Performance Food Group Company ("PFG") (NYSE: PFGC)**, a US-based foodservice distribution company, announced that it has entered into a definitive agreement to acquire **Cheney Bros., Inc. ("Cheney Brothers")**, a US-based independent broadline foodservice distributor, for US\$2.1 billion. The acquisition will expand PFG's distribution reach and capacity across key Southeastern states, including Florida, Georgia, North Carolina, and South Carolina
- ▶ On August 9th, **Conagra Brands, Inc. ("Conagra") (NYSE: CAG)**, a US-based branded food company, announced the acquisition of **Sweetwood Smoke & Co.**, the maker of FATTY Smoked Meat Sticks, which are high-quality, protein-packed snacks made with pork and beef smoked with real hickory wood, for an undisclosed amount. The deal is part of Conagra's strategic focus on expanding its better-for-you snack portfolio, aligning with its growth strategy in the snacking and frozen food categories
- ▶ On August 8th, **Benford Capital Partners ("BCP")**, a US-based private equity firm, announced the acquisition of **Turri's Italian Foods, Inc. ("Turri's")**, a US-based provider of individually quick frozen (IQF) pasta and rice, for an undisclosed amount. The partnership with the Turri family aims to enhance capabilities, expand capacity, and pursue add-on acquisitions to drive continued growth

Relative Performance Index



Key Indicators

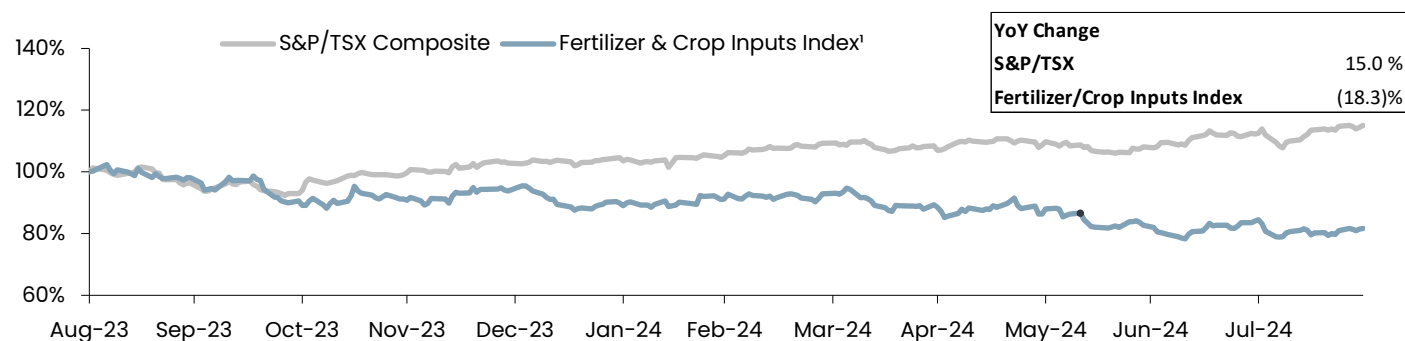
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	9,424	12,069	10.2x	8.4x	18.4x	14.2x	(2.7)%	(7.4)%
Ingredion Incorporated	8,738	10,237	8.4x	8.0x	13.5x	12.7x	1.7 %	(1.1)%
Premium Brands	2,878	4,961	9.9x	8.8x	18.7x	14.5x	0.3 %	(17.0)%
Tate & Lyle plc	3,413	3,471	7.4x	6.2x	12.4x	11.5x	2.9 %	(6.4)%
Maple Leaf Foods Inc.	2,015	3,498	8.6x	7.2x	31.2x	15.2x	(2.5)%	(22.3)%
Lassonde Industries Inc.	875	1,479	7.5x	6.6x	7.1x	6.8x	0.0 %	(3.3)%
SunOpta Inc.	687	1,152	12.8x	10.7x	50.0x	24.8x	(9.4)%	(27.0)%
Rogers Sugar	519	823	8.1x	na	10.0x	na	0.0 %	(7.2)%
Mean			9.1x	8.0x	20.2x	14.2x	(1.2)%	(11.5)%

News Scan

- ▶ On August 29th, **Koch Ag & Energy Solutions, LLC ("KAES")**, a US-based global provider of solutions for the agriculture, energy, and chemical markets, a subsidiary of **Koch Industries**, a US-based multinational conglomerate, announced the completion of its acquisition of **OCI Global's** fertilizer plant in Wever, Iowa, which has the capacity to produce 3.5 million metric tons of nitrogen fertilizers and diesel exhaust fluid annually, for US\$3.6 billion. This acquisition expands KAES's fertilizer production capabilities and allows the company to better serve its customers by providing additional flexibility and product offerings, particularly in the eastern US
 - On August 5th, **OCI Global**, a Netherlands-based provider of nitrogen, methanol, and hydrogen products, announced a US\$2.35 billion sale for its 1.1 million metric tonnes Clean Ammonia project under construction in Beaumont, Texas, to **Woodside Energy Group Ltd**, an Australian global energy company. The sale enables OCI to capitalize on the project's advanced development while allowing Woodside to expand its low-carbon energy portfolio with a first-of-its-kind large-scale blue ammonia facility
- ▶ On August 27th, the **Global Fund for Coral Reefs**, an investment fund managed by **Pegasus Capital Advisors**, a US-based PE firm specializing in sustainable investments, announced an investment of up to US\$50 million in **Agrion Agrisolutions ("Agrion")**, a Brazil-based producer of organo-mineral fertilizers from sugarcane waste. The investment will expand Agrion's production capacity and develop new product lines, thereby protecting marine ecosystems and coral reefs in Brazil's Northeast Region
- ▶ On August 22nd, **Yara International ASA ("Yara")**, a Norway-based global leader in crop nutrition, announced the divestment of its fertilizer import and distribution subsidiary in Ivory Coast, for an undisclosed amount. This strategic decision is part of Yara's broader initiative to focus its resources on selected countries within Africa that offer higher potential for implementing its 2030 Africa Food Systems Transformation strategy
- ▶ On August 14th, **Manuchar**, a Belgium-based global chemical distributor, announced the acquisition of a controlling interest in **Proquiel Químicos**, a Chile-based distributor specializing in chemicals for industries including mining, water treatment, fertilizers, and nutrition, for an undisclosed amount. This deal will expand Manuchar's presence in Chile, particularly in the fertilizer sector
- ▶ On August 8th, **Nutrien (TSX: NTR)**, the world's largest potash producer, announced a US\$335 million write-off on the value of the fertilizer division in Brazil. The restructuring will better position the division for near-term market challenges, allowing it to deliver strong financial results throughout the commodity cycle

Relative Performance Index



Key Indicators

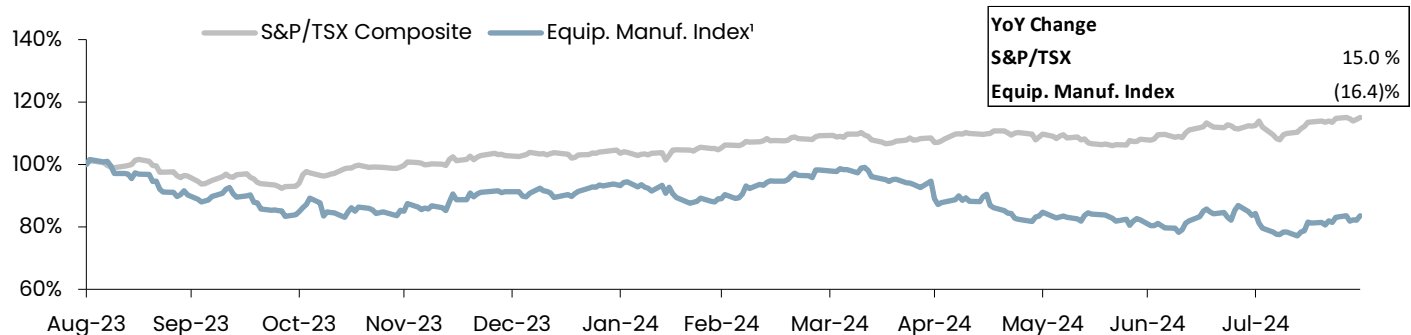
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	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2024E	2025E	2024E	2025E		
Nutrien Ltd.	23,930	36,516	6.6x	6.5x	12.7x	12.2x	(3.5)%	(28.6)%
CF Industries Holdings, Inc.	14,990	19,110	8.2x	8.5x	14.6x	15.2x	(3.8)%	(10.6)%
The Mosaic Company	9,103	13,437	5.4x	5.6x	11.2x	11.7x	(8.1)%	(34.6)%
Yara International ASA	7,412	11,014	5.5x	5.1x	nfm	nfm	(2.5)%	(28.8)%
Nufarm Ltd.	1,027	2,035	9.5x	7.2x	36.3x	14.6x	(6.7)%	(37.6)%
Mean			7.0x	6.6x	18.7x	13.4x	(4.9)%	(28.0)%

News Scan

- ▶ On August 28th, **AgriFORCE Growing Systems Ltd. ("AgriFORCE")** (NASDAQ: AGRI; AGRIW), a US-based technology development company focused on agricultural solutions, announced the acquisition of the assets of **Radical Clean Solutions Ltd. ("RCS")**, a UK-based company specializing in hydroxyl technology for pathogen elimination, for an undisclosed amount. The acquisition enhances AgriFORCE's ability to improve food safety in production and storage facilities by integrating RCS's chemical-free pathogen elimination technology
- ▶ On August 20th, **DiMuto**, a Singapore-based company specializing in digital solutions for the AgriFood supply chain, announced that it has completed a Series A funding round, securing US\$5.9 million, led by **The Yield Lab Asia Pacific**, with participation from investors including **SiS Cloud Global Tech Fund 8**, **Gold Sceptre Limited**, and **Dave Chen**. The funding will support DiMuto's global expansion, particularly into key markets in Latin America and the US
- ▶ On August 16th, **Alamo Group Inc. (NYSE: ALG)**, a US-based manufacturer of equipment for infrastructure maintenance and agriculture, announced that it has sold its **Herschel Parts** business, a manufacturer of agricultural replacement and wear parts based in Indianola, Iowa, to **F.P. Bourgault Tillage Tools Ltd. ("Bourgault")**, a Canada-based manufacturer of tillage tools, for an undisclosed amount. Herschel Parts will strengthen Bourgault's presence in the US agricultural market
- ▶ On August 9th, **John Deere** announced a 50:50 joint venture with **Bradesco**, one of Brazil's largest private banks. Under the terms of the agreement, Bradesco, through its subsidiary **Bradesco Holding de Investimentos**, will invest an undisclosed amount in **Banco John Deere**, a subsidiary of Deere & Company. This strategic alliance aims to optimize financial products and services, providing competitive financing options and leveraging advanced technologies to better serve the Brazilian market
- ▶ On August 5th, **Agrizy**, an India-based agri-processing platform providing solutions across digital vendor management, and supply and value chain automation to agri processing units, announced that it has raised US\$9.8 million in a Series A funding round co-led by **Accion**, a US-based global nonprofit focused on financial inclusion, and **Omnivore**, an India-based impact venture capital firm. The funding will be used to expand Agrizy's product offerings and geographic reach, launch contract development and manufacturing organization (CDMO) services, and provide financial services to MSME processors and farmer-producer organizations (FPOs)

Relative Performance Index



Key Indicators

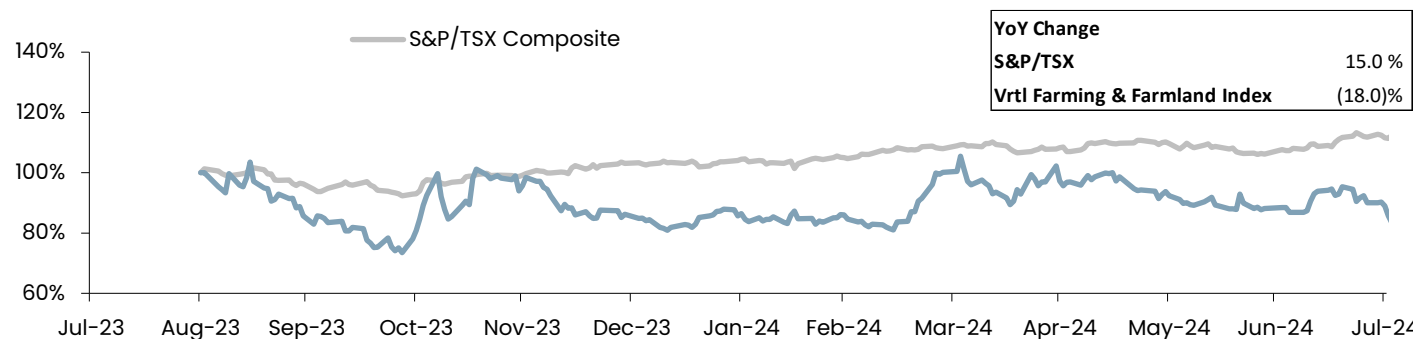
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	105,538	167,383	17.2x	17.0x	16.6x	17.2x	2.4 %	(7.6)%
CNH Industrial N.V.	12,964	38,789	15.3x	15.3x	7.7x	7.8x	2.9 %	(24.5)%
AGCO Corporation	6,795	10,862	7.3x	5.8x	6.4x	11.7x	3.0 %	(30.1)%
Ag Growth International Inc.	793	1,448	6.5x	6.1x	9.2x	8.5x	2.6 %	(13.0)%
Mean			11.6x	11.0x	10.0x	11.3x	2.8 %	(20.7)%

News Scan

- ▶ On Aug 26th, **Beleaf Farms**, an Indonesia-based vertical farming operator, announced that it has received funding from **Norinchukin Innovation Fund L.P.**, a fund managed by Global Brain Corporation, for an undisclosed amount, aggregating total amount raised to US\$9.8 million. The funding will allow Beleaf Farms to further develop its hydroponic farming systems and expand its technological capabilities
- ▶ On August 14th, **South Mill Champs**, one of the largest mushroom growers in North America, announced the acquisition of **Baird Produce**, a Florida-based produce distributor located in the Tampa Wholesale Produce Market, for an undisclosed amount. The acquisition expands South Mill Champs' distribution network in Florida, creating synergies with its Winter Haven operations to enhance service quality and operational efficiency in the Tampa region
- ▶ On August 12th, **Stafford Capital Partners ("Stafford")**, a UK-based private markets investment and advisory firm, announced the first two investments for its **Stafford Carbon Offsets Opportunities Fund ("Stafford's Carbon Fund")**, totaling US\$72 million. The investments include a US\$12 million acquisition of 1,914 hectares in New Zealand, where a significant portion of the land will be planted with radiata pine and managed for conservation, and a US\$60 million commitment to acquire degraded pastureland in southwestern Brazil, where 50% will be used for commercial timber plantations and the remaining 50% for natural forest restoration
- ▶ On August 1st, **Sun World International LLC ("Sun World")**, a US-based global fruit variety development and licensing company, announced that it has acquired **Biogold Group**, a South Africa-based global fruit variety rights manager specializing in citrus and mangoes, for an undisclosed amount. The acquisition will allow Sun World to expand its portfolio to include citrus, mangoes, and avocados
- ▶ On Aug 1st, **Agro Vision Corp.**, a US-based producer and supplier of super fruits, announced that it has raised \$100 million in equity financing at \$1B+ valuation from **Aliment Capital**, a US-based private equity and venture capital firm specializing in buyouts and growth capital investments, and investor **Stephen K.**, Co-Founder of Oaktree Capital Management, L.P., alongside new and existing investors. Agro Vision Corp. will use the proceeds to enhance its tech-enabled superfruit platform as healthy snacking booms, further fueling expansion of its berry business and accelerating product innovation

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	486	989	11.7x	11.2x	14.3x	13.6x	(1.0)%	(13.7)%
Farmland Partners Inc.	489	989	17.9x	17.3x	28.3x	27.5x	0.0 %	(22.4)%
Local Bounti Corporation	23	441	8.5x	4.7x	neg	nmf	(5.1)%	(58.9)%
Hydrofarm Holdings Group, Inc.	20	166	0.8x	0.8x	nmf	21.5x	(9.9)%	(69.0)%
Village Farms International, Inc.	115	157	0.5x	0.4x	11.8x	7.5x	(6.5)%	(38.3)%
Mean			6.9x	5.8x	20.0x	18.8x	(5.4)%	(47.2)%

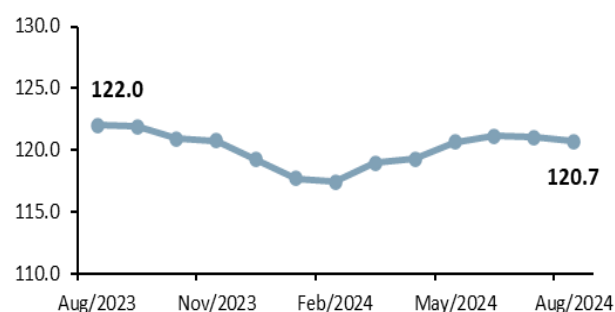
News Scan

- ▶ On September 9th, China initiated an anti-dumping investigation into Canadian canola seed exports covering the period of January 1 to December 31, 2023, in response to Canada's 100 per cent tariff on imports of Chinese electric vehicles and a 25 per cent tariff on imported steel and aluminum from China
- ▶ On August 29th, **Reuters** reported that China has opened an anti-subsidy probe into imported dairy products from the European Union, stepping up tension with the bloc a day after Brussels released its revised draft decision related to tariffs on China-made electric vehicles. The investigation on dairy announced by China's commerce ministry will focus on various types of cheeses, milks and creams intended for human consumption
- ▶ On August 29th, **The Western Producer** reported that the US avian flu outbreak in dairy cattle is much larger than official figures suggest due to farmers' reluctance to test their animals and risk the economic consequences of a positive result, according to interviews with dairy experts, veterinarians and farmers in six states with known cases
- ▶ On August 24th, **Reuters** reported that the Canada Industrial Relations Board ordered a halt to work stoppages at the country's largest railways, signaling an end to an unprecedented service disruption at both main freight rail carriers that threatened to hammer Canada's export-driven economy. The independent labor tribunal made the decision after the Canadian government asked it to end an impasse in separate talks between more than 9,000 Teamsters members, and Canadian National Railway and Canadian Pacific Kansas City
- ▶ On August 23rd, **Reuters** reported that Brazil's Sao Paulo state said that wildfire outbreaks were affecting or closing in on 30 of its cities, adding that two people had died in an industrial plant trying to hold back the flames. The cities have been affected by dry, hot weather in recent days, the government said
- ▶ On August 21st, **Food Ingredients 1st** reported that US Vice President Kamala Harris has proposed a federal ban on price gouging in the food and grocery sector to boost competition. This announcement comes amid Mars' US\$36 billion plan to acquire snack maker Kellanova, a deal that may face increased regulatory scrutiny if Harris is elected president in November. In her first major economic policy speech, she vowed to target "bad actors" and enact the "first-ever federal ban on food price gouging"
- ▶ On August 15th, **The Western Producer** reported that the European Commission cleared the US\$34 billion merger deal between Bunge and the Glencore-backed company Viterra
- ▶ On August 16th, **Food Ingredients 1st** reported that the US Food and Drug Administration (FDA) announced new goals to further reduce sodium levels in commercially packaged and processed foods by 20% in the second phase of its voluntary sodium reduction targets. The FDA's preliminary data from 2022 indicates that 40% of its initial phase one goals, which encouraged key F&B players in the US to reduce salt content in various food categories, are close to or already fulfilled
- ▶ On August 15th, **Food Ingredients 1st** reported that UK food and non-alcoholic beverage inflation held steady at 1.5% in July, matching the previous month's rate and the lowest since October 2021. This is a significant drop from 14.9% in July last year and 19.2% in March 2023, though prices for items like olive oil, cocoa, and powdered chocolate remain high.
- ▶ On August 13th, **The Globe and Mail** reported that B.C. fruit growers who have been hit hard by consecutive years of bad harvests and the closing of a major packing house will be receiving additional funding from the province. The money will be an immediate financial injection for growers but also will focus on building a more climate-resilient fruit sector, B.C. Premier David Eby and Pam Alexis, the Minister of Agriculture and Food, said in Penticton, B.C
- ▶ On August 6th, **The Western Producer** reported that the US CDC plans to spend US\$10 million to curb farm worker bird flu infections, including US\$5 million for seasonal flu vaccines, as part of its efforts to avoid further spread and mutation of the virus

Commodities Futures as of August 31st, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.01	0.63 %	(16.15)%
Wheat (CBOT)	\$ per bu.	\$5.52	3.67 %	(8.39)%
Oats (CBOT)	\$ per bu.	\$3.38	6.71 %	(31.47)%
Rough Rice (CBOT)	\$ per cwt.	\$14.79	(1.89)%	(11.41)%
Rapeseed (Canola)(ICE)	CAD per T	\$614.70	0.97 %	(23.99)%
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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