

September 2024

Industry Highlights on

Food & Agriculture

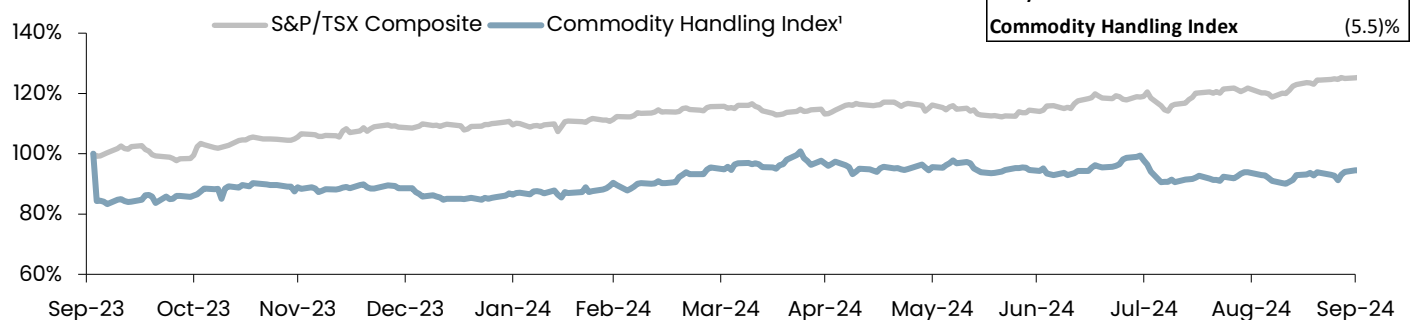


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On September 26th, **Grain Craft**, a US-based flour milling company, announced its acquisition of **Central Milling, Inc. ("Central Milling")**, a US-based milling company specializing in organic flour, for an undisclosed amount. The acquisition will strengthen Grain Craft's presence in the artisan baking market while Central Milling will benefit from Grain Craft's broader presence and resources
- ▶ On September 23rd, **ADM (NYSE:ADM)**, US-based global leader in agricultural processing and food ingredient solutions, announced that it has reached an agreement to acquire **Vandamme Hungaria Kft**, which operates a 700 metric ton/day non-GM crush and extraction facility in northern Hungary, for an undisclosed amount. The state-of-the-art multi-seed and corn germ facility adds to ADM's ability to meet increasing demand for non-GM food and feed
- ▶ On September 23rd, **Viterra**, a Netherlands-based global agricultural network, announced that it has entered into an agreement to acquire certain **Grainflow** assets in Australia consisting of five storage and handling sites and a mobile ship loader, from **Cargill**, a US-based global agribusiness, for an undisclosed amount. The acquisition will deliver efficiencies for Viterra's South Australian and western Victorian supply chain
- ▶ On September 18th, **Bay State Milling**, a US-based grain milling company, announced its acquisition of **Montana Gluten Free Processors LLC**, a US-based producer and processor of gluten-free oats and related food products, for an undisclosed amount. The deal strengthens Bay State Milling's gluten-free offerings and expands operations to 13 milling and processing facilities across the US and Canada
- ▶ On September 10th, **Five Star Cooperative ("Five Star")**, a US-based agricultural cooperative, announced that it has entered into a definitive agreement to acquire **A&K Feed & Grain**, a US-based company specializing in feed and grain solutions, for an undisclosed amount. The acquisition expands Five Star's service area and enhances its agronomy and grain offerings to the farming community across North Iowa and Southern Minnesota
- ▶ On September 5th, **Cargill** announced that has acquired two feed mills located in Denver, Colorado and Kansas City, Kansas, from **Compana Pet Brands**, a US-based pet care and nutrition company, for an undisclosed amount. The deal will help Cargill expand the production and distribution capabilities of its Animal Nutrition and Health business, specifically its ag retail and large ranching/farming segments in the western and central regions of the US

Relative Performance Index



Key Indicators

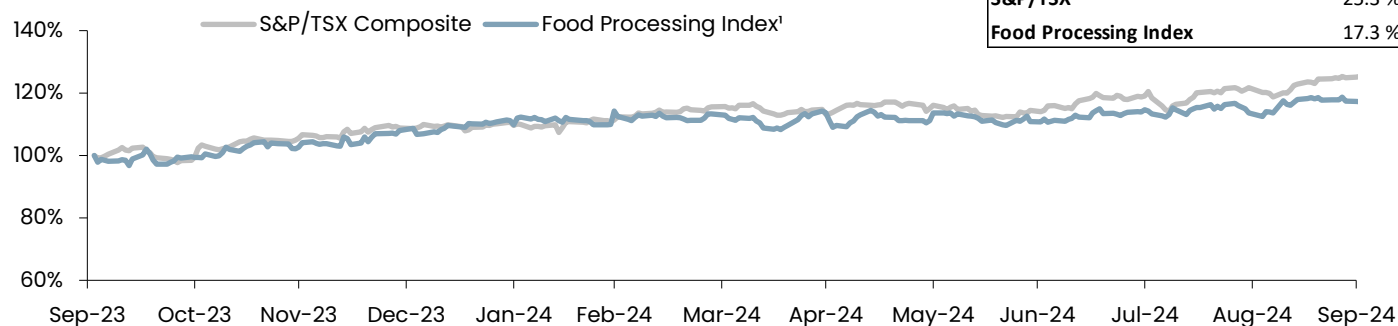
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	28,564	40,344	7.0x	7.0x	11.2x	11.0x	(2.6)%	(22.8)%
Bunge Limited	13,689	21,607	8.0x	8.0x	10.3x	10.0x	(2.2)%	(15.9)%
The Andersons, Inc	1,696	2,051	6.2x	5.7x	16.1x	14.0x	0.5 %	(18.4)%
Graincorp Limited	1,410	2,133	11.8x	8.8x	23.8x	16.2x	4.0 %	(1.6)%
Ceres Global Ag	68	109	na	na	na	na	0.0 %	(10.6)%
Mean			8.2x	7.4x	15.3x	12.8x	(0.1)%	(13.9)%

News Scan

- ▶ On September 27th, **General Mills, Inc. ("General Mills")** (NYSE: GIS), a US-based food company, announced that it has entered into agreements to sell its North American yogurt business to **Lactalis** and **Sodiaal**, two leading France-based dairy companies, for an aggregate US\$2.1 billion, with Lactalis acquiring the US business and Sodiaal acquiring the Canadian business. The divestiture is a part of General Mill's Accelerate strategy aimed at reshaping its portfolio and focusing on core areas of growth
- ▶ On September 23rd, **Cheese Kurls**, a US-based manufacturer of private label snack foods, a portfolio company of US-based **Nexus Capital Management**, announced its acquisition of **Axiom Foods, Inc.** a US-based manufacturer of savory snack foods specializing in private label and co-manufacturing services, for an undisclosed amount. The combined entity will be well-positioned to capitalize on the continued robust demand for manufacturing capacity across the snack food industry
- ▶ On September 18th, **Platinum Equity**, a US-based PE firm, announced the signing of a definitive agreement to acquire **Polli S.p.A.**, an Italy-based producer of pasta sauces, food in-oil, olives, pickles, and condiments, for US\$104 million. The acquisition strengthens Platinum Equity's portfolio in the food production sector and expands its presence in the European market
- ▶ On September 11th, **One Rock Capital Partners, LLC ("One Rock")**, a US-based PE firm, announced that it has entered into an exclusive agreement to acquire **Europe Snacks**, a France-based manufacturer of private label savory snacks, for an undisclosed amount. The acquisition aims to expand One Rock's portfolio in the food sector and capitalize on Europe Snacks' strong market position
- ▶ On September 5th, **Midwest Growth Partners**, a US-based PE firm, announced that its portfolio company **French Gourmet**, a US-based manufacturer of artisanal croissants, Danish pastries, dough shells, and puff pastries, has merged with **ShellsbyDesign**, a US-based provider of sweet and savory frozen tart shells and ready-to-eat (RTE) frozen desserts, for an undisclosed amount. The combined company will benefit from complementary product offerings and an expanded geographical reach
- ▶ On September 4th, **Three Dog Brands ("TDB")**, a US-based manufacturer of premium dog treats, a portfolio company of US-based **Topspin Consumer Partners**, announced the acquisition of **Kennelmaster Foods, Inc.**, a US-based manufacturer and marketer of savory pet treats, for an undisclosed amount. The deal allows TDB to expand beyond its portfolio of confectionery treats into the growing dehydrated treats segment and strengthens its position in humanized dog treats segment

Relative Performance Index



Key Indicators

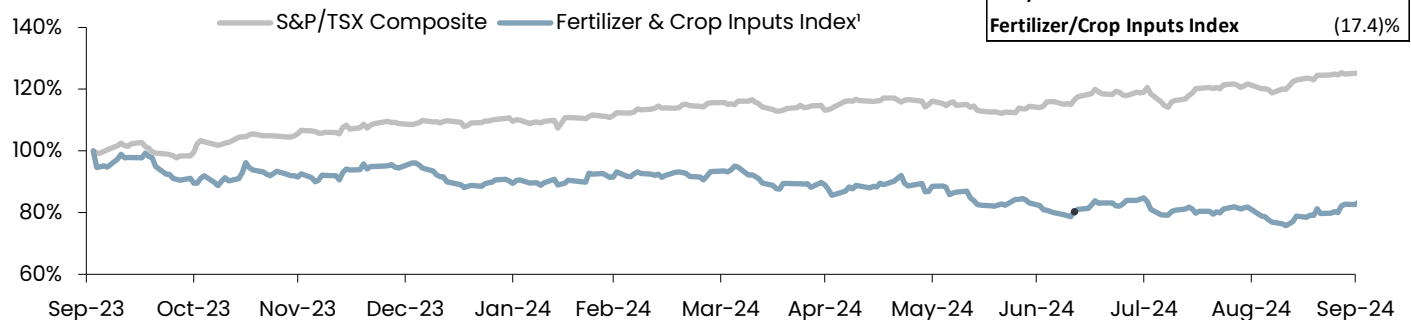
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	9,169	11,828	10.0x	8.3x	18.1x	13.9x	0.2 %	(9.2)%
Ingredion Incorporated	8,941	10,448	8.6x	8.2x	13.8x	12.9x	1.8 %	(0.7)%
Premium Brands	3,148	5,229	10.5x	9.3x	20.5x	15.9x	0.1 %	(1.6)%
Tate & Lyle plc	3,476	3,767	7.6x	6.7x	12.5x	11.6x	3.1 %	(6.7)%
Maple Leaf Foods Inc.	2,023	3,505	8.6x	7.2x	31.3x	15.3x	1.0 %	(21.1)%
Lassonde Industries Inc.	895	1,272	6.5x	5.7x	7.3x	6.9x	(0.9)%	(9.9)%
SunOpta Inc.	762	1,230	13.6x	11.5x	nmf	27.5x	(3.7)%	(16.6)%
Rogers Sugar	539	843	8.3x	na	10.4x	na	(1.6)%	(4.8)%
Mean			9.2x	8.1x	16.3x	14.9x	(0.0)%	(8.8)%

News Scan

- ▶ On September 27th, **Methanex Corporation ("Methanex") (Nasdaq: MEOH)**, a Canada-based global leader in methanol production and supply, announced that it has entered into a definitive agreement to acquire the Global Methanol Business of **OCI Global**, a Netherlands-based producer and distributor of methanol and nitrogen products, for US\$2.05 billion. The acquisition provides Methanex with access to robust North American natural gas feedstock while also offering a low-risk entry into the ammonia market
- ▶ On September 25th, **HBM Holdings ("HBM")**, a US-based PE firm, announced the acquisition of **Calcium Products**, a US-based manufacturer of calcium-based fertilizers for row and specialty crop growers as well as the professional turf industry, from **Sun Capital Partners**, a US-based PE firm, for an undisclosed amount. The acquisition strategically diversifies and expands HBM's agri portfolio
- ▶ On September 11th, **SOLASTA Bio**, a UK-based agri-biotech company specializing in the next generation of green insecticides, announced that it has completed an oversubscribed US\$14 million Series A funding round, led by **Forbion**, with co-lead investment from agricultural strategics **FMC Ventures (FMC Corporation)** and **Corteva Catalyst (Corteva, Inc.)**, with participation from existing investors **Cavallo Ventures (Wilbur-Ellis)**, **Rubio Impact Ventures**, **Scottish Enterprise**, **UKI2S**, **SIS Ventures** and **University of Glasgow**. The funds will be used to accelerate the development of SOLASTA Bio's peptide-based, nature-inspired bioinsecticides
- ▶ On September 10th, **Catalera BioSolutions ("Catalera")**, a Canada-based provider of biological pest control solutions, announced the initial close of its US\$8 million Series A funding round, led by US-based **S2G Ventures**, with follow-up investment from **Farm Credit Canada Capital**. The funding will help Catalera advance its development pipeline and get its new products to market
- ▶ On September 5th, **Switch Bioworks**, a US-based biotechnology company developing low-cost and sustainable fertilizers, announced that it has raised US\$17 million in Series Seed financing led by **Change Forces Capital** and joined by **Grantham Foundation**, **Astanor Ventures**, **Acre Venture Partners**, **Anthos Capital**, **Thia Ventures**, **Emerson Collective**, as well as the farmer-led **Ag Ventures Alliance** and others. The financing will be used to complete product development of Switch Bioworks' first carbon-neutral biological nitrogen fertilizer
- ▶ On September 4th, **Exacto**, a US-based private label supplier of chemical solutions to the agricultural, turf, and ornamental horticulture markets, announced an undisclosed growth investment from US-based **S2G Ventures** and **Skyline Global Partners**. The funding will help Exacto scale its operations, with the goal of bringing new solutions to market faster and expanding its footprint in key growth areas

Relative Performance Index



Key Indicators

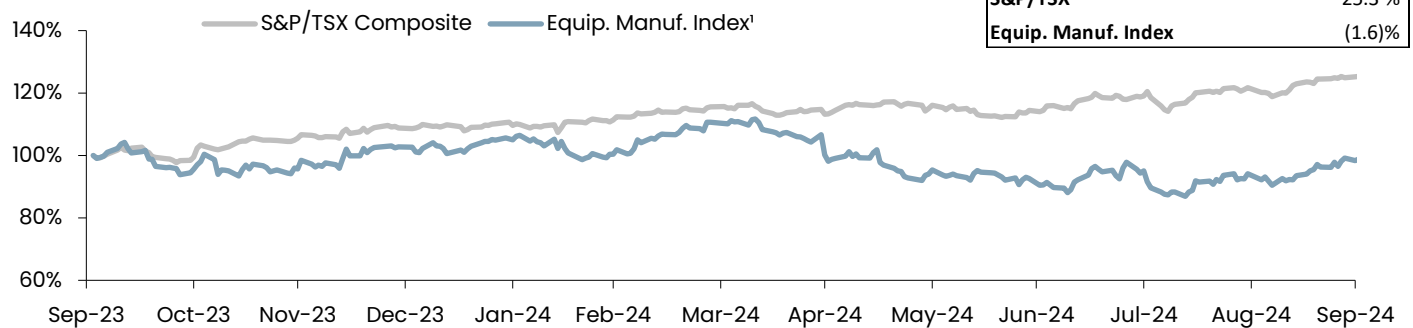
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	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2024E	2025E	2024E	2025E		
Nutrien Ltd.	23,807	36,392	6.6x	6.6x	12.8x	12.3x	1.8 %	(24.0)%
CF Industries Holdings, Inc.	15,479	19,602	8.3x	8.6x	14.7x	15.3x	5.1 %	(5.6)%
The Mosaic Company	8,533	12,862	5.2x	5.3x	10.6x	10.8x	4.8 %	(30.1)%
Yara International ASA	8,082	11,690	5.9x	5.4x	nmf	nmf	3.8 %	(17.6)%
Nufarm Ltd.	1,052	2,084	9.5x	7.2x	36.3x	14.7x	2.3 %	(33.7)%
Mean			7.1x	6.6x	18.6x	13.3x	3.5 %	(22.2)%

News Scan

- ▶ On September 26th, **Gevo, Inc. ("Gevo") (NASDAQ: GEVO)**, a US-based company that develops, manufactures, and markets sustainable, low-carbon biofuel and chemical products, announced that it has acquired **Cultivate Agricultural Intelligence, LLC ("CultivateAI")**, a US-based company that provides digital agriculture data and analytics to clients through a SaaS platform, for US\$6 million. Gevo will fold CultivateAI into **Verity**, its wholly owned subsidiary which specializes in carbon accounting and tracking solutions, to accelerate Verity's business development and growth and provide holistic solutions for carbon abatement in food, feed, fuels, and industrial markets
- ▶ On September 17th, **Pairwise**, a US-based technology company pioneering gene editing to improve plant breeding in specialty and commodity crops, announced that it has closed a US\$40M Series C funding round led by US-based **Deerfield Management**, with multiple returning investors, including **Aliment Capital** and **Leaps by Bayer**, also joined by new investor and global ag technology leader **Corteva, Inc. (NYSE: CTVA)**, through its **Corteva Catalyst** platform. Investments from this funding round will be used to scale Pairwise's product pipeline, including seedless berries and pitless cherries, as well as advance its Fulcrum Platform
- ▶ On September 12th, **FarmWise**, a US-based provider of smart farming implements such as AI-powered weeding solutions for vegetable growers, and **RDO Equipment Co.**, a US-based dealer of intelligently connected agriculture, construction, environmental, irrigation, positioning, and surveying equipment from leading manufacturers, announced an exclusive partnership to deliver FarmWise's Vulcan precision weeding and cultivation implement to vegetable growers in the Southwest regions of the US
- ▶ On September 11th, **Kubota Corporation ("Kubota")**, a Japan-based agricultural and construction equipment manufacturer, announced that its North American subsidiary, **Kubota North America Corporation**, has acquired **Bloomfield Robotics, Inc. ("Bloomfield")**, a US-based developer of AI-driven plant imaging technology, for an undisclosed amount. The acquisition strengthens Kubota's capabilities in specialty crop monitoring services
- ▶ On September 10th, **Reinke Manufacturing**, a US-based provider of irrigation systems and technology, announced a US\$12 million investment in the modernization and automation of their manufacturing facilities to produce irrigation systems. The investment is aimed at implementing advanced robotic technologies and expansion projects to increase production capacity and efficiency at its Deshler facility

Relative Performance Index



Key Indicators

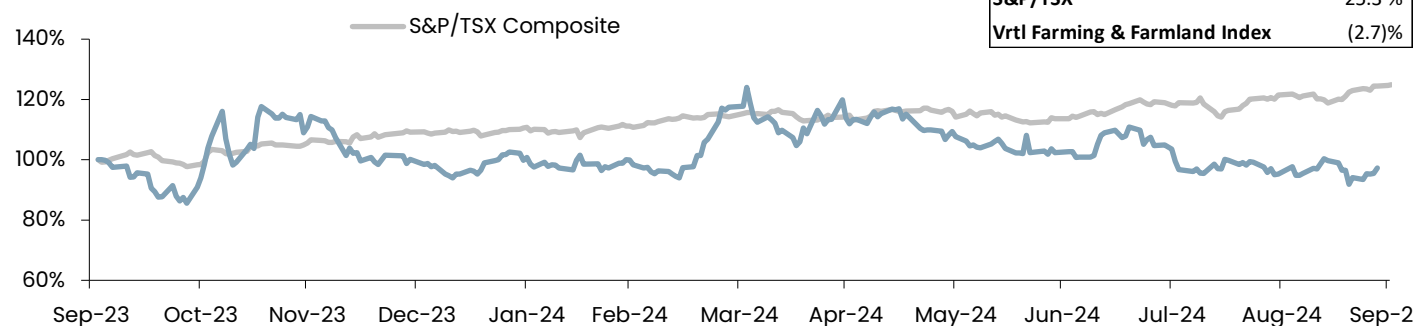
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	114,181	175,668	18.3x	17.9x	18.0x	18.7x	2.8 %	(0.7)%
CNH Industrial N.V.	13,917	39,757	15.8x	16.0x	8.3x	8.5x	2.5 %	(16.5)%
AGCO Corporation	7,304	11,379	7.7x	6.0x	6.9x	12.6x	3.3 %	(24.9)%
Ag Growth International Inc.	764	1,418	6.4x	6.0x	8.9x	8.2x	0.1 %	(16.1)%
Mean			12.0x	11.5x	10.5x	12.0x	2.9 %	(14.1)%

News Scan

- ▶ On September 23rd, **CDPQ**, a global investment group, and **Chinook Forest Partners ("Chinook")**, a US-based natural capital investment manager, announced the launch of a new investment platform to build a diversified and high-quality portfolio of forestland in the Pacific Northwest region of the US, the world's second largest forest area, along with CDPQ's acquisition of a minority, for an undisclosed amount. The investment is part of CDPQ's Sustainable Land Management initiative, which aims to deploy capital in land-focused assets that have a long-term positive environmental impact and adhere to the highest ESG standards.
- ▶ On September 18th, **Meta Platforms, Inc. ("Meta") (NASDAQ:META)**, announced an agreement to acquire 1.3 million nature-based carbon offset credits, with options for an additional 2.6 million credits, through a reforestation project in Brazil. This initiative is in partnership with **BTG Pactual Timberland Investment Group**, the forest management division of **BTG Pactual**, Latin America's largest investment bank, for an undisclosed amount. The deal is a part Meta's commitment to zero net emissions across its entire value chain by 2030
- ▶ On September 9th, **Santander (BME:SAN)** and **Atitlian**, a Spain-based investment manager, announced that they have signed an agreement to create **Atgro**, a global investment platform dedicated to agricultural projects. It is set to launch with initial contributions of €200 million from Santander and €50 million by Atitlian, and is expected to attract other investors, with a target of over €500 million. The partnership reflects Santander and Atitlian's long-term commitment to the agrifood sector, with the aim of boosting the sector in Europe, the Americas, Africa and Asia
- ▶ On September 4th, **Craigmore Sustainable ("Craigmore")**, a New Zealand-based investment firm focused on progressive farming, horticulture and forestry businesses, announced that it has acquired two apple orchards, expected to have a combined canopy area of more than 110 hectares, in New Zealand's Hawke's Bay and Gisborne region, for an undisclosed amount. The acquisitions add further scale to Craigmore's 290 hectares of existing apple orchards under management across Hawke's Bay and Gisborne
- ▶ On September 1st, **Agriculture & Natural Solutions Acquisition Corporation ("ANSC") (NasdaqGM:ANSC)**, a US-based agri-focused SPAC set up by US-based **Riverstone Holdings** and Australia-based **Impact Ag**, two agri-focused asset management firms, announced a definitive agreement to acquire **Australian Food & Agriculture Company Limited**, one of the largest diversified agricultural portfolios in New South Wales, from **Bell Group Holdings**, an Australia-based financial services business, for US\$510 million. ANSC aims to capitalize on Australia's leading position in new techniques to meaningfully decarbonize agriculture and further its cause of regenerative agriculture

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2024E	2025E	2024E	2025E		
Farmland Partners Inc.	500	710	20.3x	20.0x	nmf	nmf	(0.4)%	(20.4)%
Gladstone Land Corporation	498	1,001	14.2x	14.0x	neg	neg	(0.1)%	(9.5)%
Village Farms International, Inc.	104	146	25.5x	7.2x	neg	10.3x	9.4 %	(42.6)%
Hydrofarm Holdings Group, Inc.	32	176	nmf	22.9x	neg	neg	5.4 %	(44.0)%
Local Bounti Corporation	22	440	neg	nmf	neg	neg	16.8 %	(60.5)%
Mean			20.0x	16.0x	neg	10.3x	6.2 %	(35.4)%

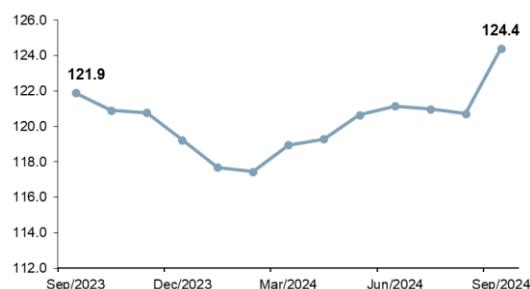
News Scan

- ▶ On September 28th, **Reuters** reported that India has approved the resumption of non-basmati white rice exports as inventories surge in the world's largest exporter of the grain and farmers prepare for the upcoming harvest. Increased rice shipments from India are expected to enhance global supplies and lower international prices by compelling other major exporters, such as Pakistan, Thailand, and Vietnam, to reduce their rates
- ▶ On September 27th, **The Globe and Mail** reported that workers at six grain terminals in the Canadian port of Vancouver reached a tentative deal, ending a strike that could have impacted exports from Canada, the world's top canola exporter and the third-largest wheat exporter, during the critical harvesting period. The Grain Workers Union and the Vancouver Terminal Elevators' Association negotiated the tentative agreement to facilitate the movement of Canada's harvest to market, as confirmed by Labour Minister Steven MacKinnon
- ▶ On September 27th, **The Globe and Mail** reported that nearly 200 agriculture organizations urged the White House to address key US agricultural supply chain issues in the face of a potential port strike on the East and Gulf Coasts that could begin on October 1. The groups said the industry is facing "imminent and severe shipping disruptions" due to the potential work stoppage, along with congested rail lines and historically low river levels, which are backing up grain barge shipments and impacting trade with Mexico
- ▶ On September 23rd, **Reuters** reported that the European Commission launched a challenge at the WTO against China's investigation into EU dairy products. This was initiated after the European Union imposed import tariffs on Chinese electric vehicles. This is the first time the European Union has taken such action at the beginning of an investigation, rather than waiting for it to result in trade measures against the bloc
- ▶ On September 20th, **Reuters** reported that China is facing a surplus of unwanted milk as falling birth rates and cost-conscious consumers have reduced demand, despite recent expansions in dairy farms. This situation has led to smaller farmers being forced out of business and has created challenges for shipments into the world's top importer of dairy products. Per capita milk consumption in China dropped from 14.4 kg in 2021 to 12.4 kg in 2022, while milk output surged to approximately 42 million tons last year, exceeding Beijing's target of 41 million tons for 2025
- ▶ On September 16th, **Food Ingredients 1st** reported that the European Commission (EC) has authorized EU member states to pay higher advances of Common Agriculture Policy (CAP) funds to farmers to alleviate liquidity issues and mounting economic pressures. Farmers can receive up to 70% of their direct payments in advance from October 16, compared with 50% currently
- ▶ On September 9th, **Food Ingredients 1st** reported that renewed calls for the postponement of the forthcoming EU Deforestation Regulation (EUDR) are being voiced as palm oil stakeholders from Indonesia and Malaysia meet with counterparts in Brussels and Rotterdam for a series of discussions and events focused on sustainable vegetable oils
- ▶ On September 6th, **The Western Producer** reported that less farmland has been bought and sold in Canada this year. Prices haven't dropped, but the lack of transactions is a signal that demand is softer, according to the chief economist at Farm Credit Canada, with farmers increasingly worried about profitability
- ▶ On September 3rd, **The Globe and Mail** reported that Beijing is launching an anti-dumping investigation into Canada's multibillion-dollar canola imports, in retaliation for Ottawa's imposition of 100% tariffs on Chinese electric vehicles. This action comes two years after China lifted a ban on Canada's canola seeds, which was also imposed as a retaliatory measure following the arrest of Huawei executive Meng Wanzhou on a U.S. extradition warrant

Commodities Futures as of September 30th, 2024

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.29	6.98 %	(10.02)%
Wheat (CBOT)	\$ per bu.	\$5.99	8.61 %	10.62 %
Oats (CBOT)	\$ per bu.	\$3.88	14.79 %	(10.29)%
Rough Rice (CBOT)	\$ per cwt.	\$15.30	3.48 %	(3.83)%
Rapeseed (Canola)(ICE)	CAD per T	\$610.80	(0.63)%	(13.61)%
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.

Origin Merchant Partners
Chicago | Montreal | Toronto
www.originmerchant.com

OMP Agri Food Team

ANDREW MUIRHEAD
MANAGING DIRECTOR
andrew.muirhead@originmerchant.com

JIM OSLER
MANAGING DIRECTOR
jim.osler@originmerchant.com

ROB PENTELIUK
MANAGING DIRECTOR
rob.penteliuk@originmerchant.com

GREG MARTIN
MANAGING DIRECTOR
greg.martin@originmerchant.com

CHRISTOPHER SOLDA
DIRECTOR
christopher.solda@originmerchant.com