

December 2024

Industry Highlights on

Food & Agriculture

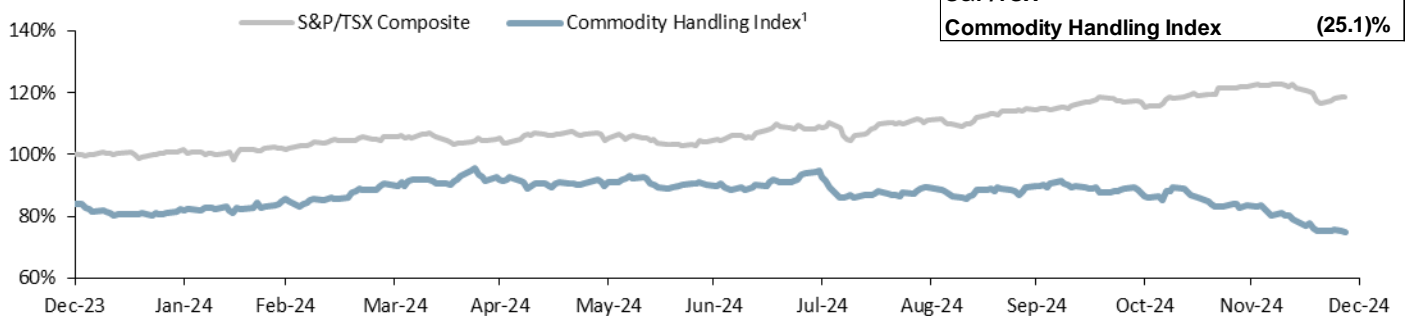


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On January 14th, The Canadian government approved **Bunge's** US\$8.2-billion acquisition of **Viterra**, with a series of conditions meant to allay concerns about competition, including divestiture of six grain elevators in Western Canada, commitment to retain Viterra's head office in Regina for at least five years and an investment of at least \$520 million in Canada within the next five years
- ▶ On December 23rd, **Louis Dreyfus**, a Netherlands-based agribusiness and trader, announced it has signed a binding agreement to acquire the **Food and Health Performance Ingredients Business**, including a production site and state-of-the-art R&D center in Illertissen, Germany, and three application labs outside of Germany, from **BASF SE (XTRA:BAS)**, a German specialty chemicals company, for an undisclosed amount. The transaction accelerates Louis Dreyfus's participation in plant-based ingredients and broadens its ingredient portfolio with the acquisition of food performance ingredients such as whipping and aeration agents as well as food emulsifiers, omega-3 oils, plant sterols esters, and conjugated linoleic acid (CLA). For BASF, this transaction will support its strategic portfolio optimization allowing for increased focus on their core Nutrition and Health businesses
- ▶ On December 20th, **Golden Growers Cooperative ("Golden Growers")**, a US-based agricultural cooperative supporting corn producers, and **Cargill Inc. ("Cargill")**, a US-based global leader in food, agriculture, and industrial products, announced that Cargill will acquire Golden Growers' 50% interest in **ProGold LLC**, a US-based owner of a corn wet milling plant in Wahpeton, North Dakota, for US\$81 million. The transaction, expected to close on December 31, 2026, will grant Cargill full ownership of the ProGold facility, enhancing its corn processing capabilities and reinforcing its commitment to the Wahpeton region in North Dakota
- ▶ On December 13th, **Fresh Express**, a US-based subsidiary of **Chiquita Brands International**, announced that it has acquired **McEntire Produce**, a US-based producer and distributor of fresh produce and trucking services, for an undisclosed amount. The transaction creates a newly formed foodservice division of Fresh Express, which will operate under the McEntire Produce name, and will broaden the offerings and services to foodservice customers available under the Fresh Express umbrella. Additionally, combining McEntire's groundbreaking wash system with Fresh Express's RFID-based traceability technology will allow the companies to reinforce their dedication to food safety programs
- ▶ On December 1st, **CHS Inc. ("CHS")**, a US-based leading global agribusiness cooperative, announced that it has entered into an agreement to acquire **West Central Ag Services ("West Central Ag")**, a US-based cooperative offering grain and agronomy services, for US\$225 million. The acquisition will integrate West Central Ag into CHS's supply chain as a new ag retail business unit called CHS West Central, which will remain based in Ulen and enhance market access and value for farmer-owners

Relative Performance Index



Key Indicators

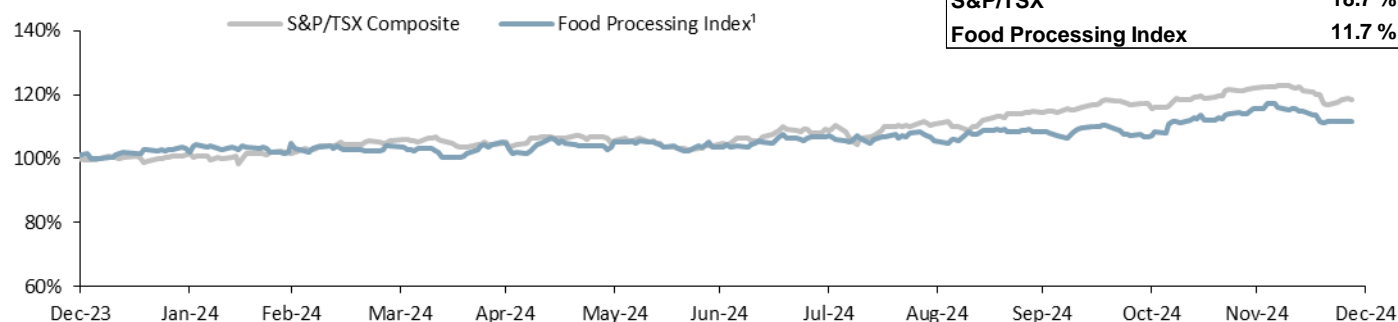
All Figures in USD millions unless indicated

| | Market | | TEV/EBITDA | | Price/Earnings | | Week Δ | Δ Price |
|--------------------|--------|--------|-------------|-------------|----------------|--------------|---------------|----------------|
| | Cap | TEV | 2024E | 2025E | 2024E | 2025E | Price | 52Wk High |
| ADM | 23,750 | 34,892 | 6.5x | 6.6x | 10.5x | 10.4x | (2.3)% | (29.9)% |
| Bunge Limited | 10,888 | 16,158 | 5.9x | 6.2x | 8.3x | 8.7x | (0.3)% | (32.3)% |
| The Andersons, Inc | 1,379 | 1,758 | 5.1x | 4.6x | 13.7x | 11.0x | 3.9 % | (32.2)% |
| Graincorp Limited | 1,013 | 1,233 | 7.2x | 5.8x | 18.9x | 14.1x | (0.7)% | (21.6)% |
| Ceres Global Ag | 63 | 107 | na | na | na | na | (2.7)% | (20.0)% |
| Mean | | | 6.2x | 5.8x | 12.9x | 11.1x | (0.4)% | (27.2)% |

News Scan

- ▶ On December 30th, **Premium Brands Holdings Corporation (“Premium Brands”)** (TSX: PBH), a Canada-based producer, marketer, and distributor of specialty food products, announced the completion of three strategic acquisitions: **NSP Quality Meats**, a cooked protein and deli meats manufacturer with facilities in Oklahoma, Texas, and Missouri; **Casa Di Bertacchi**, a New Jersey-based producer of branded and private label cooked protein products; and **Italia Salami**, an Ontario-based manufacturer of Italian dry-cured salami, for a total of US\$66 million. These transactions enhance Premium Brands’ US branded cooked protein capacity, expand market access, mitigate border and tariff risks, and support the growth of its Marcangelo-branded Italian charcuterie offerings
- ▶ On December 16th, **Avance Investment Management** and **AUA Private Equity Partners**, both US-based, Hispanic-led investment firms, announced a significant investment in **Tropical Cheese Industries, LLC (“Tropical Cheese”)**, a US-based family-run premium brand for Hispanic cheese, meat, and other food products, for an undisclosed amount. The investment provides Tropical Cheese with resources to expand its product offerings, enhance distribution capabilities, and strengthen its position in the growing Hispanic food market
- ▶ On December 5th, **SK Capital Partners, LP (“SK Capital”)**, a US-based private investment firm focused on the ingredients, specialty materials, and life sciences sectors, announced that it has acquired **Spectra Confectionery Ltd. (“Spectra”)**, a Canada-based manufacturer of premium decorative toppings and confectionery products, for an undisclosed amount. The acquisition represents SK Capital’s seventh investment in the food ingredients sector, underlining their commitment and expertise
- ▶ On December 4th, **Sojourner Consumer Partners**, a US-based PE firm focused on consumer-packaged goods, announced the acquisition of **Hawaii Coffee Company, LLC (“HCC”)**, a US-based roaster of packaged coffee in Hawaii, to form the **SoJoe Coffee** platform, for an undisclosed amount. The deal aims to expand HCC’s market presence and product offerings and position it to pursue additional partnerships and acquisitions with high-potential packaged and ready-to-drink coffee companies across North America
- ▶ On December 2nd, **TreeHouse Foods, Inc. (“TreeHouse”)** (NYSE: THS), a US-based manufacturer of private label packaged foods and beverages, announced that it has completed its acquisition of **Harris Tea**, a US-based private label tea manufacturer, for approximately US\$205 million. The acquisition positions TreeHouse as a leader in the private label tea market, enhancing its tea sourcing, blending, and packing capabilities, and is expected to be accretive to revenue and profitability in 2025

Relative Performance Index



Key Indicators

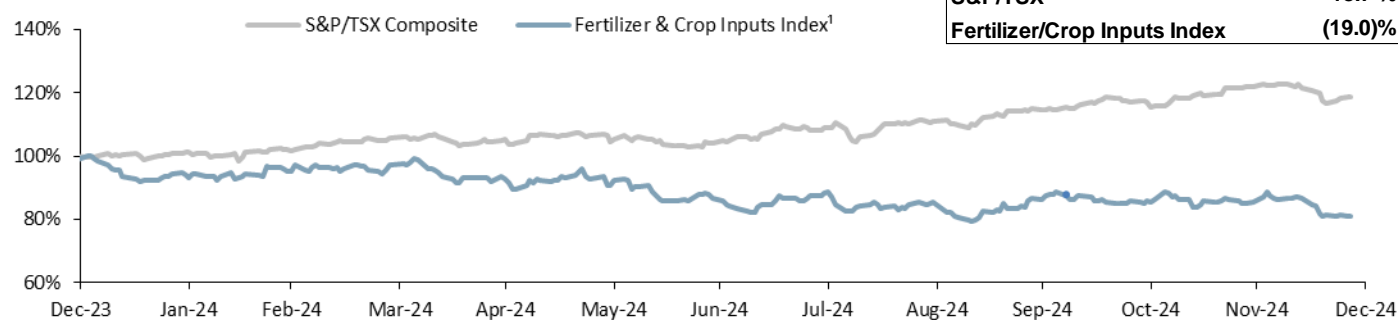
All Figures in USD millions unless indicated

| | Market | | TEV/EBITDA | | Price/Earnings | | Week Δ | Δ Price |
|--------------------------|--------|-------|-------------|-------------|----------------|--------------|---------------|----------------|
| | Cap | TEV | 2024E | 2025E | 2024E | 2025E | Price | 52Wk High |
| Saputo Inc. | 7,327 | 9,830 | 9.1x | 7.7x | 16.1x | 12.7x | (1.0)% | (23.4)% |
| Ingredion Incorporated | 8,736 | 9,852 | 8.1x | 7.6x | 12.7x | 12.0x | (4.2)% | (14.6)% |
| Premium Brands | 2,476 | 4,399 | 9.8x | 8.6x | 20.7x | 15.3x | (0.1)% | (18.1)% |
| Tate & Lyle plc | 3,572 | 3,600 | 7.7x | 5.9x | 12.8x | 12.1x | (0.5)% | (23.4)% |
| Maple Leaf Foods Inc. | 1,760 | 3,054 | 8.1x | 6.7x | 31.9x | 15.0x | 0.6 % | (26.5)% |
| Lassonde Industries Inc. | 890 | 1,443 | 7.8x | 6.7x | 7.4x | 7.1x | (1.6)% | (3.5)% |
| SunOpta Inc. | 901 | 1,357 | 15.0x | 12.5x | n/mf | 30.8x | (8.1)% | (8.9)% |
| Rogers Sugar | 529 | 783 | 7.6x | 7.4x | 10.0x | 10.4x | (1.2)% | (9.3)% |
| Mean | | | 9.1x | 7.9x | 15.9x | 14.4x | (2.0)% | (16.0)% |

News Scan

- ▶ On December 11th, **AgroLiquid**, a US-based leader in high-efficiency crop liquid fertilizer solutions, announced the acquisition of **Monty's Plant Food Company**, a US-based specialist in soil health and plant nutrition technology, for an undisclosed amount. The acquisition unites AgroLiquid's expertise in liquid fertilizer solutions with Monty's specialized knowledge in soil health and humic technology, enhancing their ability to deliver innovative, sustainable crop nutrition solutions to farmers
- ▶ On December 10th, **Nufarm Limited ("Nufarm") (ASX: NUF)**, an Australia-based crop protection and seed technology company, announced a joint development agreement with **bp**, a UK-based global energy company, to accelerate biomass oil technology for bioenergy applications. The collaboration leverages Nufarm's crop improvement expertise and bp's fuel technology to produce sustainable aviation fuel (SAF) feedstocks, building on their 10-year strategic offtake agreement and advancing Nufarm's scalable oils strategy in high biomass crops like energy cane and forage sorghum
- ▶ On December 4th, **Rosy Soil**, a US-based sustainable soil company, announced the closing of a US\$3.6 million seed round, which saw participation from **Draper Associates**, **Superorganism**, **Climate Capital**, **Boost VC**, **Seth Goldman** (co-founder of Honest Tea), **Brandin Cohen** (founder of LiquidIV) and **Ben Chesler** (co-founder of Imperfect Foods). With the new funding, Rosy Soil will accelerate its product development efforts, expand its retail footprint, and grow its team of talented individuals

Relative Performance Index



Key Indicators

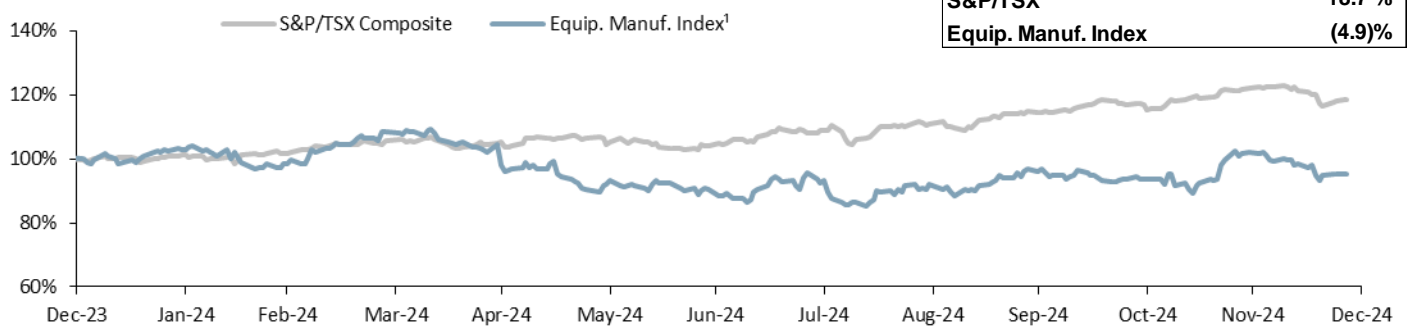
All Figures in USD millions unless indicated

| | Market | | TEV/EBITDA | | Price/Earnings | | Week Δ Price | Δ Price 52Wk High |
|------------------------------|--------|--------|-------------|-------------|----------------|--------------|--------------|-------------------|
| | Cap | TEV | 2024E | 2025E | 2024E | 2025E | | |
| Nutrien Ltd. | 23,878 | 38,342 | 7.1x | 7.0x | 13.5x | 13.2x | 8.4 % | (16.6)% |
| CF Industries Holdings, Inc. | 15,620 | 19,620 | 8.3x | 8.5x | 14.6x | 15.5x | 4.7 % | (5.0)% |
| The Mosaic Company | 8,065 | 12,265 | 5.2x | 5.1x | 11.6x | 10.7x | 5.8 % | (24.7)% |
| Yara International ASA | 7,016 | 10,638 | 5.2x | 5.1x | nmf | nmf | 3.3 % | (16.4)% |
| Nufarm Ltd. | 849 | 1,407 | 7.1x | 5.9x | nmf | 10.6x | 0.0 % | (40.7)% |
| Mean | | | 6.6x | 6.3x | 13.2x | 12.5x | 4.4 % | (20.7)% |

News Scan

- ▶ On December 31st, **Lindsay Corporation** (“Lindsay”) (NYSE: LNN), a US-based manufacturer of irrigation and infrastructure equipment, announced that it has completed the acquisition of a 49.9% stake in **Pessl Instruments GmbH** (“Pessl”), an Austria-based provider of advanced agricultural technology solutions under the METOS brand, for an undisclosed amount. This strategic investment enhances Lindsay’s portfolio by integrating Pessl’s field monitoring systems with Lindsay’s FieldNET remote irrigation management platform, providing growers with enhanced access to water management solutions tailored to improve efficiency and performance
- ▶ On December 21st, **DIAGRAM**, an Italy-based agriculture technology firm providing precision agriculture services, announced that it has been acquired by **CDP Equity and Trilantic Europe**. Notably, CDP Equity is a subsidiary of the Italian state-owned sovereign wealth fund, and the proceeds from the acquisition will support DIAGRAM’s expansion to private and public markets across Europe. DIAGRAM currently serves a customer portfolio covering over 2 million hectares in Italy
- ▶ On December 19th, **Growers Edge**, a US-based financial technology firm providing modern financial products and data-driven tools for agricultural retailers, manufacturers, and lenders, announced that it has acquired **AQUAOSO Technologies**, a US-based provider of mapping, data, and analytics software for agricultural lenders, for an undisclosed amount. The acquisition strengthens Growers Edge’s farmland valuation and climate risk assessment by integrating AQUAOSO’s Agcor platform, providing location-based data and climate models to help lenders make informed decisions and enhance borrower relationships
- ▶ On December 17th, **Ecotone Renewables**, a US-based sustainability startup specializing in converting food waste into organic fertilizer, announced the closing of a US\$3 million seed round, which saw participation from Earth Foundry, a US-based VC focused on cleantech startups, and Cisco, the global technology firm. With the new funding, Ecotone Renewables will scale its proprietary Zero Emissions Upcycling System (ZEUS) technology, expand its team, and deploy additional digesters both domestically and internationally
- ▶ On December 17th, **Sound Agriculture**, a US-based producer of hydraulic enhancement products designed to improve harvest yields, announced a US\$25M extension to its Series D round previously raised in December 2022. The new financing, co-led by BMO Impact Fund and S2G Ventures, enhances Sound’s financial profile and supports the launch of additional nutrient efficiency solutions
- ▶ On December 5th, **Chonex**, a US-based provider of soil health solutions, announced the closing of a US\$4 million funding round, which saw participation from local partners and Innovate Alabama’s InvestAL program. With the new funding, Chonex will launch its product, StrongSoil WDG, designed to support healthy soil by converting poultry manure into bio-fertilizer and bio-stimulant, restoring soil quality for farmers and reducing reliance on chemical inputs

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

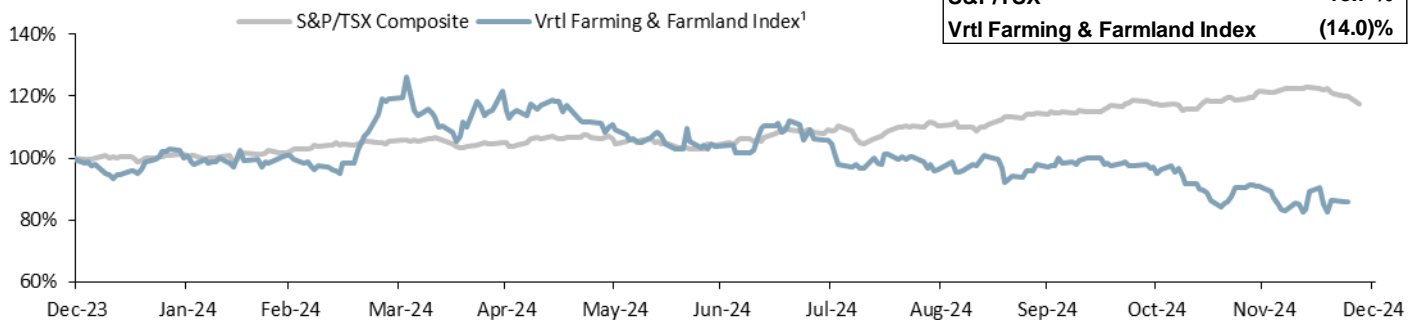
| | Market | | TEV/EBITDA | | Price/Earnings | | Week Δ | Δ Price |
|------------------------------|---------|---------|--------------|--------------|----------------|--------------|---------------|----------------|
| | Cap | TEV | 2024E | 2025E | 2024E | 2025E | Price | 52Wk High |
| Deere & Company | 113,843 | 174,479 | 19.4x | 21.1x | 18.6x | 20.5x | (3.9)% | (12.0)% |
| CNH Industrial N.V. | 14,188 | 40,745 | 20.2x | 23.2x | 10.3x | 12.5x | 0.8% | (14.6)% |
| AGCO Corporation | 6,804 | 10,848 | 7.7x | 5.7x | 6.4x | 21.7x | (1.7)% | (30.0)% |
| Ag Growth International Inc. | 676 | 1,256 | 6.5x | 5.9x | 9.9x | 8.8x | (2.8)% | (21.1)% |
| Mean | | | 13.4x | 14.0x | 11.3x | 15.9x | (1.6)% | (18.9)% |

1. “Equip. Manuf. Index” is composed of equally weighted market prices for: Deere & Co., CNH Industrial, AGCO and Ag Growth International.

News Scan

- ▶ On December 18th, **FarmTogether**, a US-based farmland investment platform, announced the acquisition of **Josephine Vineyard**, a 75-acre Pinot Noir vineyard planted in 2015, and **Pearl Vineyard**, a 53-acre vineyard with 50 acres of Pinot Noir and 3 acres of Viognier, both located in Oregon’s Applegate Valley AVA, for a combined total of US\$5.9 million. The acquisitions mark FarmTogether’s entry into Oregon’s wine grape territory, expanding offerings in premier wine-growing regions, with both firms serving as strategic additions to FarmTogether’s Sustainable Farmland Fund, further broadening its geographic reach and crop type
- ▶ On December 5th, **Agrovision**, a US-based vertically integrated global superfruit platform, announced that it has acquired **ZurGroup**, a Chile-based grower and exporter of cherries, for an undisclosed amount. The acquisition marks the launch of Agrovision Chile and provides Agrovision entry into premium cherry production, with immediate access to state-of-the-art packing and processing facilities and new lands for planting cherries, while also brining 250 hectares of blueberries planted with premium varietals, which are fully complementary to Agrovision’s Peruvian window
- ▶ On December 5th, **Campbell Global**, a US-based timber investment manager and wholly owned subsidiary of **J.P. Morgan Asset Management**, announced the acquisition of over 40,000 acres of high-quality, commercial timberland on the Olympic Peninsula in northwest Washington state, for an undisclosed amount. The property, named Tyee to honor the Cascadia region’s indigenous Native American history, will be managed for both carbon capture and timber products, supporting sustainable building materials and contributing to environmental conservation efforts
- ▶ On December 3rd, **Macquarie Asset Management (“Macquarie”)**, an Australia-based global asset manager, announced the acquisition of a majority stake in **Fresh Produce Group (“FPG”)**, an Australia-based integrated horticultural business operating approximately 1,200 hectares of premium farmland producing table grapes, citrus, and berries, for US\$113.4 million. The investment adds to Macquarie’s existing portfolio with an exposure to the fresh fruit market, and provides FPG with access to capital and the capability to further its footprint expansion in its next phase of growth

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. | 552 | 1,049 | 29.8x | nmf | nmf | neg | 0.5 % | (9.5)% |
| Gladstone Land Corporation | 394 | 966 | 14.1x | 13.6x | neg | neg | (0.2)% | (30.9)% |
| Village Farms International, Inc. | 95 | 137 | 16.1x | 6.2x | neg | neg | 4.9 % | (48.9)% |
| Hydrofarm Holdings Group, Inc. | 31 | 179 | nmf | 26.0x | neg | neg | 13.0 % | (41.7)% |
| Local Bounti Corporation | 19 | 471 | neg | nmf | neg | neg | 11.8 % | (31.6)% |
| Mean | | | 20.0x | 15.3x | neg | neg | 6.0 % | (32.5)% |

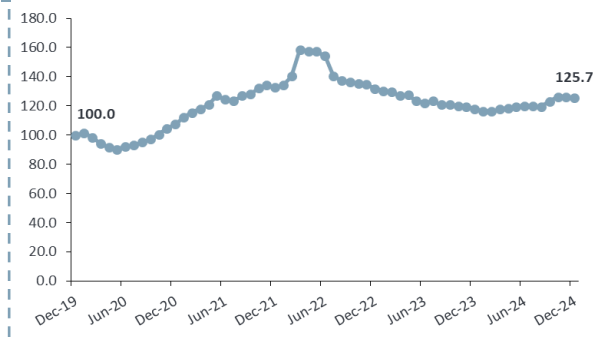
News Scan

- ▶ On December 31st, **The Globe and Mail** reported that France has confirmed bird flu outbreaks on two poultry farms, just days after being officially declared free of the virus, according to the agriculture ministry. Highly pathogenic avian influenza (HPAI), commonly called bird flu, has spread across Europe in a seasonal wave linked to migrating birds, though the impact has been less severe than in the US, where flock losses have led to record egg prices and the virus has been transmitted to cattle and humans
- ▶ On December 27th, **Reuters** reported that China will launch an investigation into beef imports, according to the commerce ministry, as the world's biggest meat importer and consumer grapples with an oversupplied market that has sent domestic prices to multi-year lows. Any trade measures to try to reduce beef imports would hit China's largest suppliers, Brazil, Argentina and Australia
- ▶ On December 23rd, **Reuters** reported that sugarcane yields in India are declining due to last year's drought and this year's excessive rains, which could reduce the country's sugar production below consumption levels for the first time in eight years, according to farmers and industry officials. Lower-than-expected output by the world's second-largest sugar producer could eliminate the possibility of India allowing exports in the current season ending in September 2025, supporting global sugar prices
- ▶ On December 20th, **Reuters** reported that China's milk supply will continue to be in excess in the first half of 2025 but will normalize in the second half of the year following efforts to regulate production, according to the agriculture ministry. The world's third largest milk producer is awash with unwanted milk as falling birth rates and cost-conscious consumers have cut demand, forcing smaller farmers out of business and squeezing shipments
- ▶ On December 18th, **The Globe and Mail** reported that the US reported its first severe human case of bird flu in a Louisiana resident who is hospitalized in critical condition after suspected contact with an infected backyard flock led to severe respiratory illness. California, the most populous state, declared an emergency over the H5N1 virus as it spread more widely in dairy herds and after it has infected dozens of farm workers this year, with the recent case the first to be linked to backyard, non-commercial poultry
- ▶ On December 12th, **The Western Producer** reported that Statistics Canada data on farm operating revenues and expenses released Dec. 6 shows that total operating revenues were C\$117 billion in 2023, up from C\$108 billion in 2022 and C\$97 billion in 2021. Breaking that down by categories, grain and oilseed producers posted record revenues of C\$39.8 billion last year. That's \$3.5 billion more than 2022 and up \$11 billion from 2020. In 2020, the operating expenses of growing crops, such as fertilizer, seed and pesticides, were about C\$14 billion. By 2023, that figure was C\$19.5 billion, a 40% increase in three years
- ▶ On December 11th, **Food Ingredients 1st** reported that major UK pork producers can resume exports to China after the country lifted COVID-19 era restrictions on British unprocessed pork exports, according to the UK government. The government believes the lifting of restrictions could boost revenues by around £80 million (US\$101.9 million). Pork producers can begin shipping exports immediately
- ▶ On December 5th, **The Western Producer** reported that global commodities trader Cargill began laying off employees across its vast operations in a drive to slash headcount by 5%, sending U.S. workers from supply chain, inventory control and other roles to look for new jobs. Cargill, a major grain merchant and U.S. beef processor, is facing a downturn in returns in cattle, grains and oilseeds businesses

Commodities Futures as of December 27, 2024

| Commodities Futures | Price Unit | Latest Price (US\$) | Month to Date | Year to Date |
|------------------------|-------------|---------------------|---------------|--------------|
| Corn (CBOT) | \$ per bu. | \$4.54 | 6.07 % | (4.72)% |
| Wheat (CBOT) | \$ per bu. | \$5.47 | (0.36)% | (12.28)% |
| Oats (CBOT) | \$ per bu. | \$3.18 | (11.17)% | (14.80)% |
| Rough Rice (CBOT) | \$ per cwt. | \$13.94 | (8.11)% | (20.48)% |
| Rapeseed (Canola)(ICE) | CAD per T | \$617.20 | 9.32 % | (7.77)% |
| 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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