

January 2025

Industry Highlights on

# Food & Agriculture

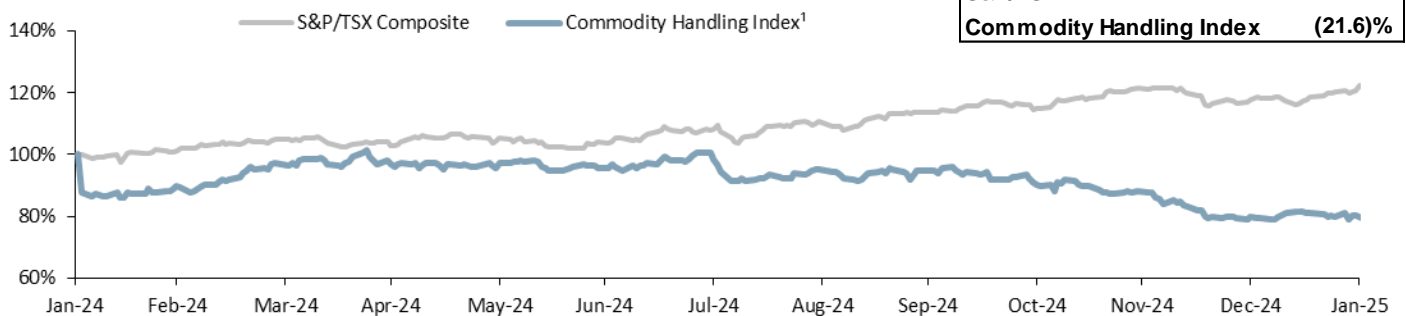


*Leading Independent North American Financial Advisor  
to the Food & Agriculture Sector*

## News Scan

- ▶ On January 14<sup>th</sup>, **Canadian National Railway Company (“CN”)** (TSX: CNR, NYSE: CNI), a Class I freight railway, announced that the **U.S. Surface Transportation Board (STB)** has approved its acquisition of **Iowa Northern Railway Company**, a shortline railroad operating 175 route miles in Iowa. The acquisition, expected to close on February 13, 2025, expands CN’s nearly 20,000-mile rail network, enhancing single-line service for grain, fertilizer, renewable fuels, and industrial markets while improving connectivity for customers and local businesses across Iowa
- ▶ On January 14<sup>th</sup>, the **Government of Canada** announced its approval of **Bunge Global SA’s** acquisition of **Glencore-backed Viterra Limited**, subject to several conditions designed to protect competition and promote investment in Canada’s grain and oilseed sector. These conditions include Bunge’s divestiture of six grain elevators in Western Canada, legally binding controls on Bunge’s minority ownership stake in G3 to prevent influence over pricing or investment decisions, a price protection program for certain purchasers of canola oil in Central and Atlantic Canada, a commitment to retain Viterra’s head office in Regina for at least five years, and a binding commitment from Bunge to invest at least C\$520 million in Canada within the next five years
- ▶ On January 2<sup>nd</sup>, **CHS Inc. (“CHS”)**, a US-based leading farmer-owned cooperative and global agribusiness, announced that it has completed the acquisition of **West Central Ag Services**, a US-based cooperative offering grain and agronomy services to more than 3,000 members across 14 locations in west-central Minnesota, for an undisclosed amount. The acquisition integrates West Central Ag Services into the CHS supply chain as a new ag retail business unit called CHS West Central, enhancing supply chain strength and maintaining the benefits of cooperative ownership

## Relative Performance Index



## Key Indicators

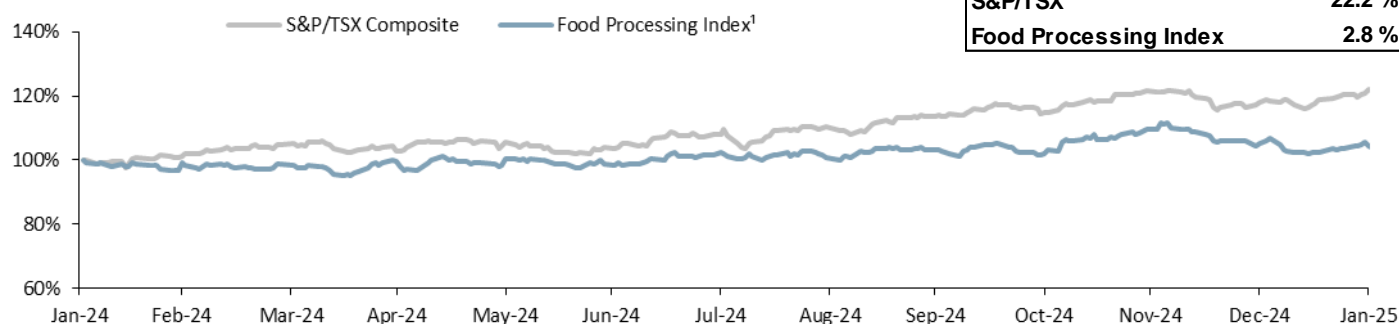
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
ADM	24,515	34,374	6.5x	6.8x	10.8x	11.4x	1.1 %	(22.5)%
Bunge Limited	10,630	14,618	5.5x	6.4x	8.1x	9.7x	(3.2)%	(33.8)%
The Andersons, Inc	1,378	1,757	5.2x	4.8x	13.8x	11.3x	(5.6)%	(33.7)%
Graincorp Limited	1,042	1,262	7.4x	6.0x	19.5x	14.5x	3.9 %	(19.5)%
Ceres Global Ag	64	107	na	na	na	na	2.4 %	(18.9)%
<b>Mean</b>			<b>6.2x</b>	<b>6.0x</b>	<b>13.1x</b>	<b>11.7x</b>	<b>(0.3)%</b>	<b>(25.7)%</b>

## News Scan

- ▶ On January 31<sup>st</sup>, **The J.M. Smucker Co. (“Smucker”)** (NYSE: SJM), a US-based manufacturer of food and beverage products, announced that it has entered into a definitive agreement to divest the **Cloverhill** and **Big Texas** brands, along with certain private label products within its sweet baked snacks segment, to **JTM Foods LLC**, a US-based producer of snack foods, for US\$40 million. The divestiture aligns with Smucker's strategy to optimize its portfolio by focusing on core brands and reducing costs
- ▶ On January 24<sup>th</sup>, **Ferrero Group (“Ferrero”)**, a global sweet-packaged food company, announced that it has signed an agreement to acquire **Power Crunch**, a US-based protein snack company known for its popular protein wafer bars and high-protein crisps, for an undisclosed amount. The acquisition expands Ferrero's presence in the better-for-you snack segment
- ▶ On January 15<sup>th</sup>, **Misha's Inc. (“Misha’s”)**, a US-based plant-based foods company, announced that it has acquired **Vertage**, a US-based dairy-free cheese company, for an undisclosed amount. The acquisition leverages Vertage's partnership with Fresh Del Monte Produce, Inc., granting Misha's access to Fresh Del Monte's comprehensive logistics network, including production facilities and advanced technology, and enables Misha's to expand its product line to include shredded and sliced dairy-free cheeses
- ▶ On January 15<sup>th</sup>, **Solina**, a France-based global leader in savory food solutions, announced that it has acquired **Advanced Food Systems, Inc. (“AFS”)**, a US-based supplier of custom dry seasoning solutions for food manufacturers, for an undisclosed amount. The acquisition enhances Solina's North American presence by adding AFS's expertise in customized ingredient systems for a variety of foods
- ▶ On January 8<sup>th</sup>, **Flowers Foods, Inc. (“Flowers Foods”)** (NYSE: FLO), a US-based producer of packaged bakery foods, announced that it has entered into a definitive agreement to acquire **Simple Mills**, a US-based natural brand offering premium better-for-you crackers, cookies, snack bars, and baking mixes, for US\$795 million. The acquisition expands Flowers Foods into the high-growth better-for-you snacking segment, diversifies its category mix, and provides a scalable platform for future growth
- ▶ On January 6<sup>th</sup>, **Advent International (“Advent”)**, a US-based global PE firm, announced that it has entered into a definitive agreement to acquire **Sauer Brands Inc. (“Sauer Brands”)**, a US-based platform of leading condiments and seasonings brands, including Duke's Mayonnaise, Mateo's Gourmet Salsa, and Kernel Season's, from US-based **Falfurrias Capital Partners**, for US\$1.5 billion. The acquisition provides Advent with a scaled entry into the high-growth condiments and seasonings market

## Relative Performance Index



## Key Indicators

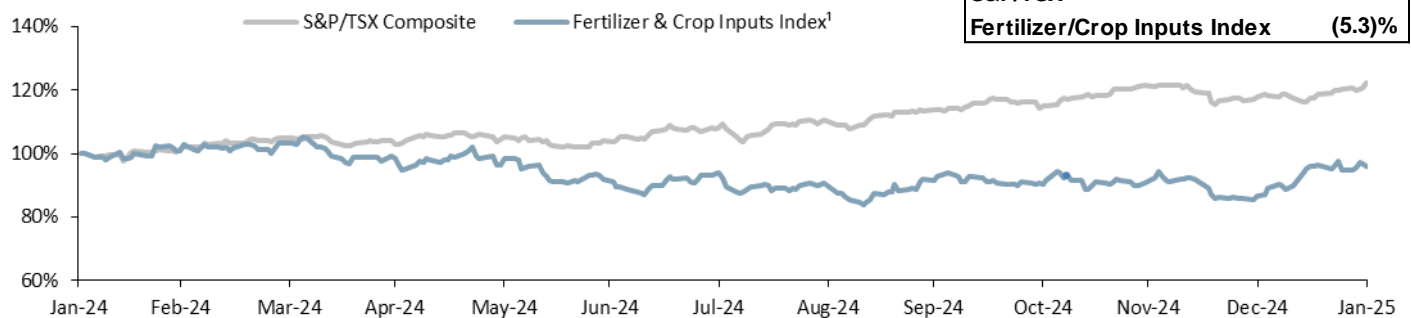
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Saputo Inc.	7,051	9,398	8.7x	7.4x	15.8x	12.9x	2.9 %	(24.9)%
Ingredion Incorporated	8,800	9,889	8.1x	7.7x	12.9x	12.3x	(0.2)%	(12.2)%
Premium Brands	2,433	4,342	9.8x	8.6x	20.3x	15.0x	(2.1)%	(19.1)%
Tate & Lyle plc	3,595	3,623	7.8x	6.0x	13.0x	12.3x	0.3 %	(22.5)%
Maple Leaf Foods Inc.	1,825	3,111	8.3x	6.9x	33.4x	15.9x	0.8 %	(18.5)%
Lassonde Industries Inc.	858	1,402	7.6x	6.5x	7.1x	6.9x	3.4 %	(1.4)%
SunOpta Inc.	876	1,331	14.7x	12.3x	nmf	29.9x	2.3 %	(6.2)%
Rogers Sugar	509	807	7.8x	7.8x	9.7x	10.5x	0.5 %	(11.1)%
<b>Mean</b>			<b>9.1x</b>	<b>7.9x</b>	<b>16.0x</b>	<b>14.4x</b>	<b>1.0 %</b>	<b>(14.5)%</b>

## News Scan

- ▶ On January 7<sup>th</sup>, **Baden Capital**, a private investment firm focused on food and agriculture, specialty manufacturing, and service businesses in the Western United States, announced that it has acquired **OrCal, Inc. ("OrCal")**, a US-based manufacturer of soil health and crop protection products specializing in environmentally sustainable solutions, for an undisclosed amount. The acquisition strengthens OrCal's ability to expand its portfolio of biological and organic soil amendments, enhances its distribution network, and supports Baden Capital's strategy to invest in sustainable agricultural solutions that improve crop yields and soil health
- ▶ On January 16<sup>th</sup>, **Brazil Potash Corp. ("Brazil Potash") (NYSE-American: GRO)**, a US-based company developing Brazil's largest potash fertilizer project, announced that its wholly-owned subsidiary, **Potássio do Brasil Ltda.**, has signed a memorandum of understanding with **Keytrade AG**, a Switzerland-based fertilizer trading company, for the potential offtake of up to 1M tons per year of potash from Brazil Potash's Autazes Potash Project. The agreement reinforces Brazil Potash's position as a key domestic supplier for Brazilian agriculture
- ▶ On January 16<sup>th</sup>, **CF Industries Holdings, Inc. ("CF Industries")** announced the successful completion of the first-ever co-loaded shipment of ammonia and propane from the US to Europe in partnership with **Trafigura**. The shipment demonstrates the viability of co-loading to enhance supply chain efficiency and scale low-carbon ammonia for industrial decarbonization efforts
- ▶ On January 13<sup>th</sup>, **The Mosaic Company ("Mosaic") (NYSE: MOS)**, a US-based leading producer and marketer of concentrated phosphate and potash crop nutrients, announced that it has entered into an agreement to sell its phosphate mining unit in Patos de Minas, Brazil, to **Fosfatados Centro SPE Ltda ("Fosfatados Centro")**, a Brazil-based phosphate producer and supplier focused on serving the country's agricultural sector, for US\$125 million. The divestiture aligns with Mosaic's strategy to monetize non-core assets and redeploy capital to higher-return areas, while enabling Fosfatados Centro to enhance phosphate supply to the Brazilian fertilizer market.
- ▶ On January 7<sup>th</sup>, **Inari**, a US-based SEEDesign company specializing in seed technology, announced that it has completed a US\$144 million fundraise, bringing its total equity raised to over US\$720 million. The funding attracted support from new investor **Abu Dhabi Investment Authority (ADIA)**, as well as existing investors such as **Hanwha Impact**, **NGS Super**, the **State of Michigan Retirement System**, and company founder **Flagship Pioneering**. The capital will support the commercialization of Inari's first-generation products and further development of its AI-powered predictive design and multiplex gene editing platform

## Relative Performance Index



## Key Indicators

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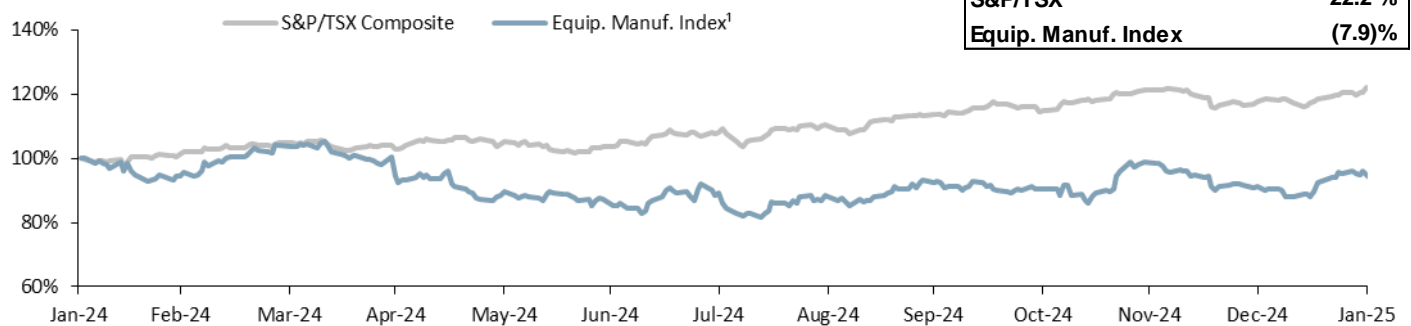
	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Nutrien Ltd.	25,598	40,075	7.5x	7.4x	14.5x	14.2x	(3.1)%	(9.8)%
CF Industries Holdings, Inc.	16,046	20,049	8.4x	8.8x	15.1x	16.2x	(3.2)%	(6.1)%
The Mosaic Company	8,859	12,942	5.6x	5.4x	13.0x	11.9x	(3.2)%	(16.6)%
Yara International ASA	7,645	11,391	5.6x	5.1x	nmf	nmf	2.1 %	(8.7)%
Nufarm Ltd.	872	1,429	7.2x	6.0x	nmf	10.9x	1.1 %	(39.1)%
<b>Mean</b>			<b>6.8x</b>	<b>6.5x</b>	<b>14.2x</b>	<b>13.3x</b>	<b>(1.2)%</b>	<b>(16.1)%</b>

1. "Fertilizers and Crop Inputs Index" is composed of equally weighted market prices for: Nutrien, CF Industries, Mosaic, Yara, and Nufarm.

## News Scan

- ▶ On January 28<sup>th</sup>, **MyLand**, a US-based agricultural technology company specializing in regenerative soil health solutions, announced that it has closed a US\$23 million funding round led by **Proterra Investment Partners LP**, a US-based alternative asset manager focused on the food value chain. The funding will accelerate MyLand’s expansion with growers across the US and internationally, scaling its proprietary live microbial ecosystem technology to improve soil health, boost crop yields, and enhance agricultural sustainability
- ▶ On January 16<sup>th</sup>, **Granite Creek Capital Partners, L.L.C. (“Granite Creek”)**, a US-based private investment firm, announced that it has acquired **Ritchie Industries, Inc. (“Ritchie”)**, a US-based leading manufacturer of automated livestock watering products, for an undisclosed amount. The acquisition supports Ritchie’s expansion into new product categories, enhances its manufacturing capabilities, and strengthens its position as a leader in sustainable livestock hydration solutions
- ▶ On January 7<sup>th</sup>, **Groupe ISAGRI**, a France-based European leader in digital solutions for agriculture, announced that it has acquired **Sencrop**, a France-based ag-tech company specializing in agricultural weather and irrigation solutions, for an undisclosed amount. The acquisition strengthens ISAGRI’s position as Europe’s leading agro-meteorology platform by integrating Sencrop’s connected weather station network, enhancing precision farming capabilities, and expanding digital decision-support tools for farmers

## Relative Performance Index



## Key Indicators

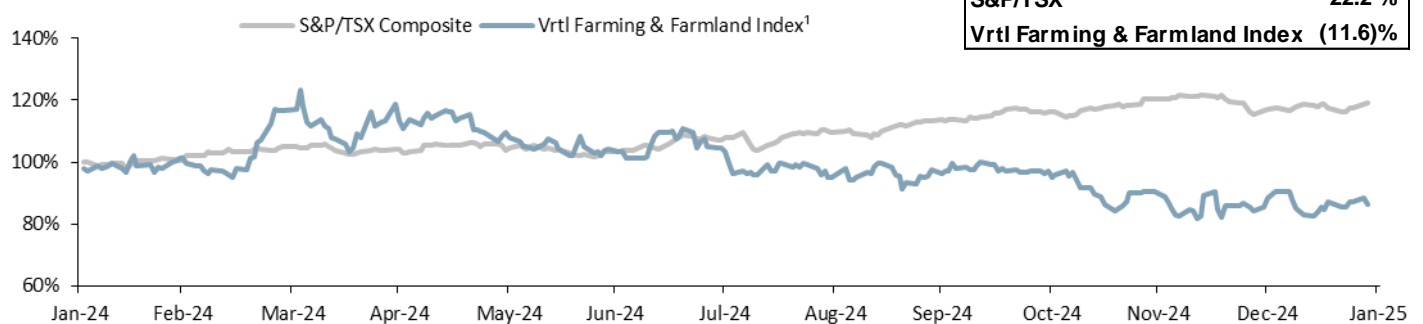
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	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2024E	2025E	2024E	2025E	Price	52Wk High
Deere & Company	129,792	132,879	14.7x	16.2x	21.1x	23.6x	0.4 %	(1.9)%
CNH Industrial N.V.	16,087	18,095	9.2x	13.3x	11.8x	17.5x	0.4 %	(3.3)%
AGCO Corporation	7,795	10,469	7.4x	5.5x	7.4x	25.3x	(0.6)%	(17.0)%
Ag Growth International Inc.	517	1,087	6.1x	6.3x	8.8x	9.7x	(4.4)%	(39.2)%
<b>Mean</b>			<b>9.3x</b>	<b>10.3x</b>	<b>12.3x</b>	<b>19.0x</b>	<b>0.0 %</b>	<b>(7.4)%</b>

## News Scan

- ▶ On January 17<sup>th</sup>, **Nature Fresh Group Inc. (“Nature Fresh”)**, a Canada-based leader in sustainable greenhouse agriculture, announced that it has received a minority investment from **Manulife Investment Management (“Manulife IM”)**, a Canada-based global investment manager, for an undisclosed amount. The partnership aims to leverage Manulife IM’s sectoral expertise to drive innovation and growth in Nature Fresh’s controlled environment agriculture operations, enhancing year-round production of premium fruits and vegetables through advanced technology and sustainable
- ▶ On January 15<sup>th</sup>, **Peoples Company**, a US-based leader in integrated land management, brokerage, appraisal, and energy solutions, announced that it has acquired **United Farm and Ranch Management (“UFARM”)**, a land management company headquartered in Lincoln, Nebraska, for an undisclosed amount. The acquisition adds 15 employees, four offices, and more than 90,000 acres of farm and ranch land under management to Peoples Company’s portfolio, enhancing its presence in the Midwest
- ▶ On January 8<sup>th</sup>, **Fruit World**, a US-based grower-shipper of organic and conventional fruit, and **Creekside Organics**, a US-based organic fruit grower and marketer, announced that they have completed a 50/50 merger to form a unified company under the Fruit World brand, for an undisclosed amount. The merger combines Fruit World’s expertise in diversified fruit sourcing with Creekside Organics’ deep grower relationships, strengthening their ability to supply high-quality organic citrus, grapes, and stone fruit, while maintaining grower-focused service and operational excellence

## 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.	558	1,055	30.0x	nmf	nmf	neg	2.2 %	(9.2)%
Gladstone Land Corporation	393	953	13.9x	13.4x	neg	neg	4.1 %	(29.3)%
Village Farms International, Inc.	89	130	15.5x	6.4x	neg	neg	6.0 %	(51.2)%
Hydrofarm Holdings Group, Inc.	30	178	nmf	39.7x	neg	neg	0.9 %	(45.9)%
Local Bounti Corporation	19	470	neg	nmf	neg	neg	2.8 %	(34.0)%
<b>Mean</b>			<b>19.8x</b>	<b>19.9x</b>	<b>neg</b>	<b>neg</b>	<b>3.2 %</b>	<b>(33.9)%</b>

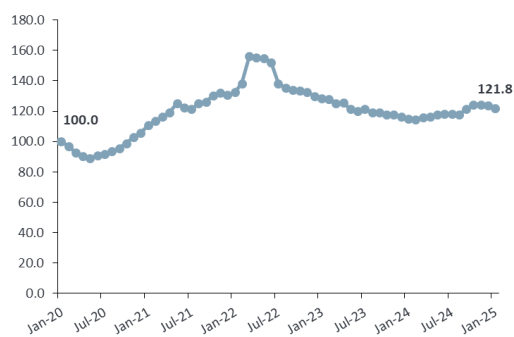
## News Scan

- ▶ On January 30<sup>th</sup>, **The Globe and Mail** reported that the relentless coffee price rally continued as arabica futures on the ICE exchange hit a new record approaching US\$4 per lb on extremely tight supplies and fears over the outlook for the coming crop. Arabica coffee futures in New York, used as a benchmark to price deals around the world, hit an all-time high of \$3.7685 per lb earlier in the day, up more than 15% already this year. They closed up 1.9% at \$3.734 per lb
- ▶ On January 28<sup>th</sup>, **Reuters** reported that the European Commission proposed imposing tariffs on more agricultural products and certain nitrogen-based fertilisers from Russia and its ally Belarus to prevent a potential threat to EU food security. The tariffs would support domestic production and allow for diversification of supply from elsewhere, the Commission said
- ▶ On January 27<sup>th</sup>, **Reuters** reported that China has prohibited imports of sheep, goat, poultry and even-toed ungulates from African, Asian and European countries due to outbreaks of livestock diseases such as sheep pox, goat pox and foot-and-mouth-disease. The ban, which also includes processed and unprocessed products, comes after the World Organisation for Animal Health released information of disease outbreaks in various countries, according to a series of announcements by China's General Administration of Customs
- ▶ On January 27<sup>th</sup>, **Reuters** reported that the United States has reported its first outbreak of H5N9 bird flu in poultry on a duck farm in California, the World Organisation for Animal Health (WOAH) said. U.S. authorities also detected the more common H5N1 strain on the same farm in Merced County, California, they said in a report to Paris-based WOAH
- ▶ On January 21<sup>st</sup>, **Food Ingredients 1<sup>st</sup>** reported that the UK is launching a grain verification scheme to track stolen grain from Russia-occupied areas of Ukraine to support food security in the region, as part of a landmark partnership. Representatives of the two countries, Food Security and Rural Affairs minister Daniel Zeichner and Vitaliy Koval, the Ukraine minister of Agrarian Policy and Food, signed a memorandum of understanding at the Global Forum for Food and Agriculture hosted in Berlin, Germany
- ▶ On January 17<sup>th</sup>, **The Globe and Mail** reported that US poultry producers should ramp up testing and monitoring of turkeys for bird flu before they are slaughtered to ensure the virus stays out of the food supply, according to the the U.S. Department of Agriculture (USDA). The agency is advising enhanced safety measures in Minnesota and South Dakota, where turkey flocks with more than 500 birds should be isolated, monitored and tested for bird flu within 72 hours before going to slaughter, according to the USDA
- ▶ On January 16<sup>th</sup>, **Food Ingredients 1<sup>st</sup>** reported that The US Department of Agriculture (USDA) has announced the third installment in a series of regulatory reforms to provide more transparency for chicken farmers who hold contracts with large poultry processing companies. The USDA's latest announcement aims to give chicken farmers better insight into companies' payment rates for their birds through the "tournament system," which provides farmers with key information on capital improvements that companies require to make to keep or renew contracts.
- ▶ On January 15<sup>th</sup>, **The Western Producer** reported that the U.S. Federal Trade Commission has prepared a lawsuit against Deere & Co., alleging the company's agricultural equipment repair practices violate competition laws, Bloomberg News reported, citing people familiar with the matter.
- ▶ On January 7<sup>th</sup>, **Food Ingredients 1<sup>st</sup>** reported that The FAO Food Price Index dipped slightly during December 2024 as sugar quotations took a dive. But the latest data shows an overall strong gain year-on-year. The index averaged 127.0 points in December, which is 0.5% down from November 2024 and up 6.7% from December 2023. It recorded 122.0 points for the whole of 2024, which is 2.1% lower than the average value in 2023, offsetting significant decreases in quotations for cereals and sugar with smaller but not insignificant increases in prices for vegetable oils, dairy and meats

## Commodities Futures as of Jan 31, 2025

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$4.82	5.13 %	7.53 %
Wheat (CBOT)	\$ per bu.	\$5.60	1.45 %	(6.01)%
Oats (CBOT)	\$ per bu.	\$3.48	5.14 %	(9.15)%
Rough Rice (CBOT)	\$ per cwt.	\$13.85	(1.81)%	(22.50)%
Rapeseed (Canola)(ICE)	CAD per T	\$638.10	3.60 %	4.54 %
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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