

AGRIBUSINESS



Agribusiness: Producers, Products and Services

SPRING 2019



Investment Banking & Advisory - Select Agribusiness Tombstones




Sage Fruit Marketing Co. and Legacy Fruit Packers, LLC

acquired by

International Farming Corp.



THE BEST FARMS. THE BEST FARMERS.™

Moss Adams Capital acted as financial advisor to Sage Fruit Marketing Co. and Legacy Fruit Packers, LLC in this transaction.



Earl E. Brown & Sons, Inc.

acquired by

Foreman Fruit & Land Company, LLC

Moss Adams Capital acted as financial advisor to Earl E. Brown & Sons, Inc. in this transaction.



Wilson Irrigation & Orchard Supply, Inc.

acquired by

Clearview Capital, LLC



Moss Adams Capital acted as financial advisor to Wilson Irrigation & Orchard Supply, Inc. in this transaction.



Shields


has been acquired by

Novolex



a portfolio company of
The Carlyle Group

Moss Adams Capital acted as financial advisor to Shields in this transaction.



PEARL CROP

Moss Adams Capital

has provided private placement and investment banking services for

Pearl Crop



Bellingham Cold Storage

acquired by

Joshua Green Corporation



Moss Adams Capital acted as financial advisor to Bellingham Cold Storage in this transaction.



Larson Fruit Company and Valley Fruit, LLC

acquired by

International Farming Corp.



THE BEST FARMS. THE BEST FARMERS.™

Moss Adams Capital acted as financial advisor to Larson Fruit Company and Valley Fruit, LLC in this transaction.




Dade Moeller & Associates

acquired by

NV5 Global, Inc.




Moss Adams Capital acted as financial advisor to Dade Moeller in this transaction.



Woodburn Fertilizer, Inc.

acquired by

Wilbur-Ellis Company



Moss Adams Capital acted as financial advisor to Woodburn Fertilizer, Inc. in this transaction.



Continental Mills

Frozen breakfast foods division acquired by

Bakery Chef



Moss Adams Capital acted as financial advisor to Continental Mills in this transaction.

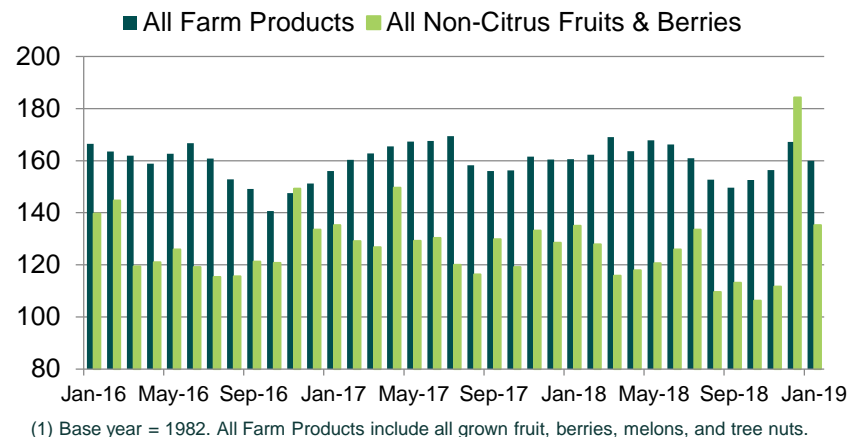
Agribusiness Economic and M&A Landscape: Spring 2019



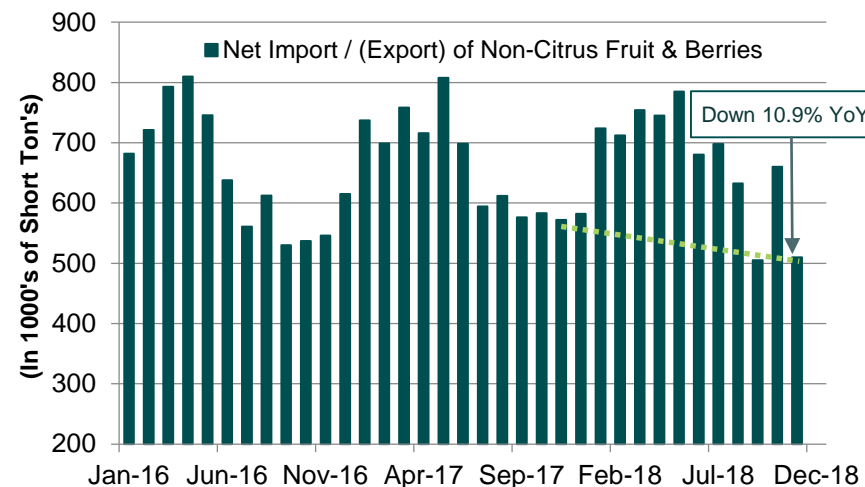
Commentary

- The USDA expects U.S. net farm income to rebound and is forecasting 2019 at \$69.4 billion. The increase is projected to be a result of rising crop prices and reduced inflation-adjusted production expenses. The 2019 forecast would be a 10% increase over 2018 net farm income.
- Amid the U.S.–China trade dispute, U.S. soybean volume is expected to decrease 4.7% due to falling commodity prices and rising stocks. Corn acreage is projected to take over the reduced soybean volume and rise 3.3% to 92 million acres this Spring.
- The new U.S. farm bill was approved by Congress on December 20th and signed into law by President Trump on Dec. 21st. The 35 day government shutdown has slowed implementation of the new bill, however, the USDA has stated that they are doing what's necessary to put the new bill into practice as quickly as possible.
- Fiscal year 2019 agricultural exports are projected to decrease to \$141.5 billion due to strong competition from international competitors and abundant supplies in foreign markets. U.S. agricultural imports are forecast at \$128 billion led by horticultural products, livestock and meats, and grains and feed imports.
- Reported M&A activity in the Agribusiness sector for 2018 declined marginally as compared to 2017. Institutional investors continued to show interest and make investments in the industry, which has led to transaction values maintaining historically high levels.

Agriculture Producer Price Index⁽¹⁾



Agriculture Trade



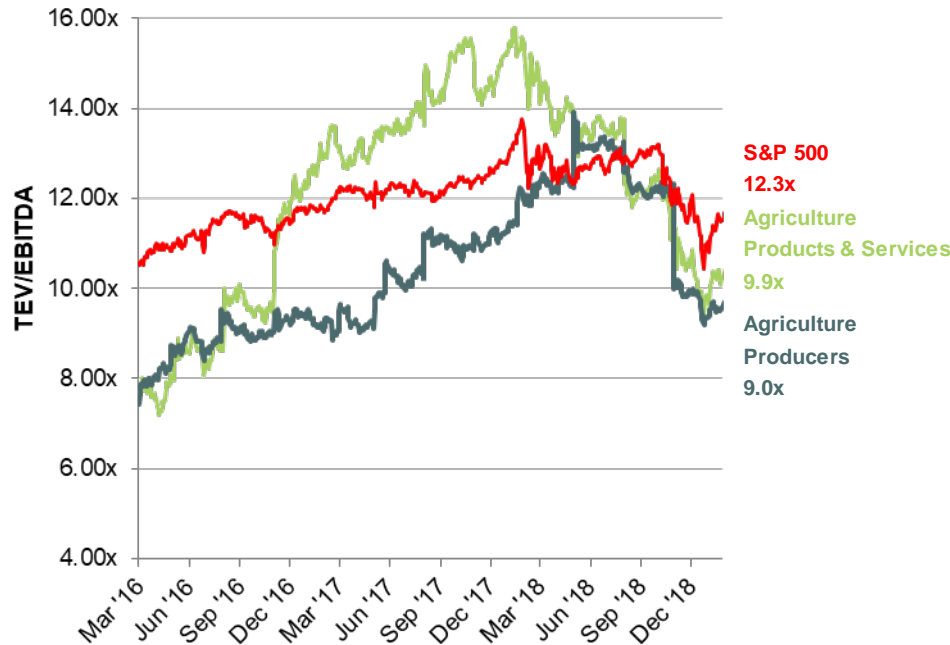
Valuations

Average Enterprise Value (“EV”) multiples for publicly-traded **Agriculture Products & Services** companies have declined to 9.9x EBITDA, as compared to approximately 15.0x EBITDA at the end of 2017. EBITDA multiples for **Agriculture Producers** have also declined, to 9.0x EBITDA from 13.6x in June 2018. Declines in EBITDA multiples are likely the result of materialized earnings that were already incorporated into stock prices a year ago.

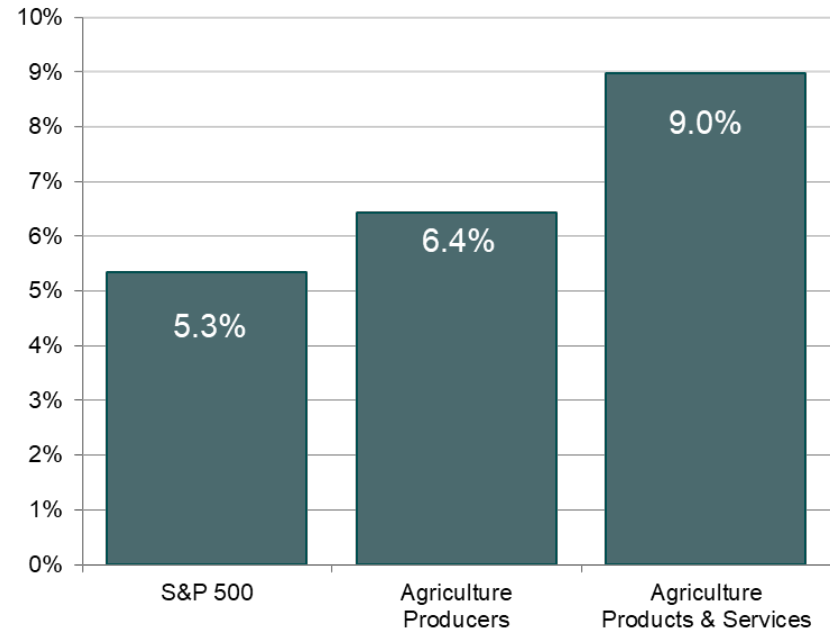
Estimated revenue growth in the next twelve months (“NTM”) for Agriculture Products & Services companies is expected to be strong. NTM estimated revenue growth for Agriculture Producers is expected to trail Agricultural Products & Services companies, primarily as a result of continued price competition and merger integration taking time to achieve results. Both segments are expected to lead the S&P 500 Index.



Public Market Valuations: EV / EBITDA



NTM Estimated Revenue Growth



Note: The indices in the chart above are composed using the public companies included on the following two pages.

Source: Capital IQ

Public Company Valuations: Agriculture Producers

Agriculture Producers

(\$US in millions, except per share amounts)

Company Name	3/1/19 Sh. Price	52 week High/Low	Market Cap	Enterprise Value	TTM Data			NTM Est. Growth	EV Multiple	
					Sales	EBITDA	Margin	Sales	TTM Sales	TTM EBITDA
Bunge Limited	53.00	79.10 / 48.89	7,479	13,661	45,743	1,561	3.4%	2.6%	0.3x	8.8x
Fresh Del Monte Produce Inc.	26.92	52.43 / 26.81	1,305	2,032	4,494	182	4.1%	NA	0.5x	11.1x
Darling Ingredients Inc.	22.07	22.62 / 16.36	3,634	5,264	3,388	430	12.7%	4.7%	1.6x	12.3x
Adecoagro S.A.	7.08	9.06 / 6.40	825	1,503	826	302	36.6%	7.8%	1.8x	5.0x
Farmland Partners Inc.	5.10	9.19 / 4.45	158	967	51	34	67.5%	11.5%	NM	28.1x
Limoneira Company	23.51	33.42 / 18.07	418	509	129	18	14.3%	49.5%	3.9x	27.6x
Alico, Inc.	30.22	34.65 / 26.40	226	423	79	29	37.1%	NA	5.4x	14.5x
S&W Seed Company	3.13	3.95 / 1.81	104	161	78	2	2.2%	7.7%	2.1x	NM

Median	\$108	13.5%	7.7%	1.8x	12.3x
Average	\$320	22.2%	14.0%	2.2x	15.3x

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 40x. NA if denominator is 0 for percentages and multiples or if estimates are not available. Next twelve months (NTM) figures are based on the median of Wall St. analysts.

Source: Capital IQ and company filings.

Public Company Valuations: Agriculture Products & Services

Agriculture Products & Services

(\$US in millions, except per share amounts)

Company Name	3/1/19 Sh. Price	52 week High/Low	Market Cap	Enterprise Value	TTM Data			NTM Est. Growth	EV Multiple	
					Sales	EBITDA	Margin		TTM Sales	TTM EBITDA
The Mosaic Company	\$31.00	\$37.37 / \$22.90	\$11,950	\$15,838	\$9,587	\$1,902	19.8%	6.1%	1.7x	8.3x
FMC Corporation	\$90.44	92.95 / 69.36	12,178	14,743	\$4,728	\$1,305	27.6%	(4.6%)	3.1x	11.3x
CF Industries Holdings	\$42.28	56.51 / 35.70	9,424	16,213	\$4,429	\$1,611	36.4%	9.8%	3.7x	10.1x
The Toro Company	\$68.57	69.41 / 52.97	7,277	7,340	\$2,673	\$438	16.4%	5.1%	2.7x	16.8x
AGCO Corporation	\$68.45	68.77 / 49.50	5,359	6,553	\$9,352	\$791	8.5%	2.5%	0.7x	8.3x
Scotts Miracle-Gro	\$81.87	93.00 / 57.96	4,532	6,798	\$2,740	\$421	15.3%	7.8%	2.5x	16.2x
SiteOne Landscape Supply	\$54.62	95.49 / 45.32	2,237	2,792	\$2,112	\$157	7.4%	10.9%	1.3x	17.8x
Lindsay Corporation	\$92.78	109.50 / 83.57	1,001	980	\$535	\$50	9.3%	(8.6%)	1.8x	19.6x
CVR Partners, LP	\$3.91	4.35 / 2.71	443	1,010	\$351	\$78	22.3%	18.8%	2.9x	12.9x
Titan International, Inc.	\$6.32	13.85 / 4.49	379	856	\$1,615	\$105	6.5%	4.3%	0.5x	8.1x
Titan Machinery Inc.	\$19.48	25.09 / 11.99	422	778	\$1,249	\$54	4.4%	5.3%	0.6x	14.3x
Intrepid Potash, Inc.	\$3.72	5.31 / 2.51	466	489	\$130	\$39	29.9%	30.8%	3.8x	12.6x
AgroFresh Solutions, Inc.	\$4.44	8.75 / 3.41	226	620	\$180	\$58	32.3%	NA	3.5x	10.7x
Pure Cycle Corporation	\$10.10	11.74 / 7.95	240	228	\$9	\$1	15.3%	NA	NM	NM
Ceres Global Ag Corp.	\$3.46	5.10 / 3.07	97	208	\$404	\$4	0.9%	NA	0.5x	NM

Median	\$105	15.3%	5.7%	2.2x	12.6x
Average	\$468	16.8%	7.4%	2.1x	12.8x

Note: Not meaningful (NM) if EV/Sales is greater than 10x, or EV/EBITDA is greater than 40x. NA if denominator is 0 for percentages and multiples or if estimates are not available. Next twelve months (NTM) figures are based on the median of Wall St. analysts.

Source: Capital IQ and company filings.

Select Recent Agribusiness M&A Activity

\$ in millions

Announced

Date	Acquirer/Investor	Target	Target Description	Transaction Value	Metric
2/14/2019	Winsupply Inc.	Baron Distributors, Inc.	Baron Distributors, Inc. distributes and sells turf, landscape, golf, and agriculture irrigation products.	Undisclosed	
2/7/2019	BrightView Holdings, Inc. (NYSE:BV)	Benchmark Landscapes, LLC	Benchmark Landscapes, LLC offers landscaping design, construction, and maintenance services.	Undisclosed	
1/29/2019	Wilson Orchard & Vineyard Supply, LLC	Oregon Vineyard Supply (OVS)	OVS is a leading provider of vineyard and agricultural supplies, equipment and services.	Undisclosed	
1/23/2019	Epicurean Group	Big Red Orchard	Big Red Orchard grows apples, cider, and donuts.	Undisclosed	
12/21/2018	International Farming Corporation	Larson Fruit Company & Valley Fruit Inc.	Grower, packer and marketer of apples, pears and cherries.	CONFIDENTIAL	CONFIDENTIAL
12/21/2018	International Farming Corporation	Sage Fruit Company & Legacy Fruit Packers LLC	Supplier and marketer of premium tree fruit both domestically and internationally.	CONFIDENTIAL	CONFIDENTIAL
11/30/2018	Ag-Pro Ohio, LLC	JD Equipment, Inc.	JD Equipment, Inc. offers a wide selection agriculture, lawn, commercial and power equipment.	Undisclosed	
11/26/2018	Gladstone Land Corporation	3,667-acre farm in Hartley County, Texas	A 3,667-acre potato farm in Hartley County, Texas.	\$8.50	
11/14/2018	Harvest FINCO, Inc.	San Felasco Nurseries, Inc.	San Felasco Nurseries, Inc. operates a plant nursery in North Central Florida.	\$69.68	
11/1/2018	Gladstone Land Corporation	951-Acre Farm in Madera County, California	A 951-Acre fig and pistachio tree farm in Madera County, California.	\$23.00	
10/23/2018	LFM Capital, LLC	Fecon, Inc.	Fecon, Inc. manufactures forestry mulchers, forestry track carriers, and bio-mass harvesting equipment.	Undisclosed	
10/10/2018	Capay Incorporated	Full Circle Farm, Inc.	Full Circle Farm, Inc. produces fruits and vegetables.	Undisclosed	
8/30/2018	Arable Capital Partners	Universal Irrigation and Supply	Universal Irrigation and Supply owns and operates as a full service irrigation and supply company.	Undisclosed	
8/24/2018	Prairieland Partners, Inc.	Concordia Tractor, Inc.	Concordia Tractor, Inc. operates as a dealer of agricultural equipment and parts.	Undisclosed	
7/25/2018	TreeSap Farms, LLC	Hines Division of Color Spot Nurseries	Hines Division of Color Spot Nurseries operates nursery in California.	Undisclosed	
7/17/2018	Clean Seed Capital Group Ltd.	Harvest International, Inc.	Harvest International, Inc. manufactures agricultural planting equipment.	\$18.30	
7/9/2018	Arable Capital Partners	Lodi Pump & Irrigation	Manufacturer and provider of irrigation systems and services.	Undisclosed	
6/7/2018	Alpine Pacific Capital & Arable Capital Partners	Farmington Fresh Cuts	Farmington Fresh Cuts processes and distributes fruits and vegetables.	Undisclosed	
5/31/2018	AGROdeviate, LLC	W & A Manufacturing Company, Inc.	W & A Manufacturing Company, Inc. manufactures farm equipment.	Undisclosed	
5/16/2018	LeVecke Corporation	Hallimaile Pineapple Co. Ltd.	Produces and sells pineapples for customers in the United States and internationally.	Undisclosed	
4/12/2018	Syngenta Corporation	Abbott & Cobb, Inc.	Engages in breeding, producing, and marketing vegetable seeds.	Undisclosed	
4/3/2018	Salem Farm Supply, Inc.	Columbia Tractor, Inc.	Operates as a harvester farm and light industrial dealership that distributes farm and home equipment.	Undisclosed	
3/29/2018	American Securities LLC	PMHC II, Inc.	Processes and distributes minerals, raw materials, and additives.	Undisclosed	
3/20/2018	SiteOne Landscape Supply, Inc.	Three Village Nurseries Landscape Centers	Distributes nursery and related products to landscape professionals.	Undisclosed	
3/14/2018	Central Garden & Pet Company	Bell Nursery Holdings, LLC	Bell Nursery Holdings, LLC grows flowers and plants in the United States.	Undisclosed	
3/6/2018	Agriculture Capital Management	Columbine Vineyards	Operates as a grower, packer, and shipper of grapes.	Undisclosed	
3/1/2018	Omnia Group (Pty) Ltd	Oro Agri SEZC Limited	Develops, manufactures, and markets agrochemical products.	\$94.00	1.8x Rev; 9.3x EBITDA
2/12/2018	SiteOne Landscape Supply, Inc.	Atlantic Irrigation Specialties Inc.	Operates as a golf, residential, and commercial irrigation equipment distributor.	Undisclosed	
2/12/2018	Lane Packing, LLC	Taylor Orchard Properties, LLC	Peach grower in Georgia.	Undisclosed	
2/7/2018	Spp Management Services, Llc	Fast Growing Trees, LLC	Operates as a nursery which sells plants and trees online through its website.	Undisclosed	
1/19/2018	Sigma AgriScience, LLC	Am-Ag, LLC	Manufactures and distributes fertilizers, crop augments, and enhancers for agricultural markets.	Undisclosed	
1/4/2018	Vegalab, Inc.	The Agronomy Group LLC	Produces and distributes organic and environmentally friendly agrochemicals.	\$5.44	
1/2/2018	South Dakota Wheat Growers Association	Dry Fertilizer Plant of Gavilon Fertilizer, LLC	Dry fertilizer plant.	Undisclosed	
12/18/2017	Gladstone Land Corporation	Organic Almond Orchard in California	Organic Almond Orchard in California.	\$5.90	
12/1/2017	Novolex (The Carlyle Group)	Shields Bags & Printing	Provider of commercial flexible packaging to the agribusiness industry.	CONFIDENTIAL	CONFIDENTIAL

Discussed on following pages.

Overview of Closed Transaction

Moss Adams Capital acted as the exclusive financial advisor to Larson Fruit Company and Valley Fruit Inc.

Closed December 21st, 2018



Larson Fruit Company and Valley Fruit, LLC

acquired by

International Farming Corp.



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*Moss Adams Capital acted
as a financial advisor to
Larson Fruit Company and
Valley Fruit, LLC in this transaction.*

- Larson Fruit Company and Valley Fruit Inc. (combined, “LVF Fruit” or the “Company”) announced they have completed a transaction to sell the operations to International Farming Corporation (IFC). LVF Fruit is a leading independent grower of organic and conventional apples, cherries and pears.
- LVF Fruit has been a staple in the premier Yakima Valley and Lower Columbia Basin agricultural regions in central Washington State. The Companies have become a recognized leader within the specialty crop industry, producing nearly 5 million boxes of premium varieties of apples, cherries and pears.
- International Farming Corp. was attracted by LVF fruit’s market leading industry position, premier varietal mix, orchard management capabilities, investment in its orchard properties and diversification of growing regions. In addition, LVF fruit’s management team and breadth of varietal partnerships position LVF well for future market demands from the premium tree fruit industry.
- Moss Adams Capital was hired by ownership and the Company to help evaluate transition alternatives for the business. After preparing the Company for a transaction process, Moss Adams Capital also took the Company to market and assisted with successfully negotiating and closing a transaction that addressed the objectives of ownership. As a hallmark of Moss Adams Capital transactions, the Moss Adams Yakima office played a critical role in optimizing the tax structure and estate planning outcomes of the transaction.

Overview of Closed Transaction

Moss Adams Capital acted as the exclusive financial advisor to Sage Fruit Company and Legacy Fruit Packers LLC

Closed December 21st, 2018



**Sage Fruit Marketing Co.
and Legacy Fruit
Packers, LLC**

acquired by

**International
Farming Corp.**



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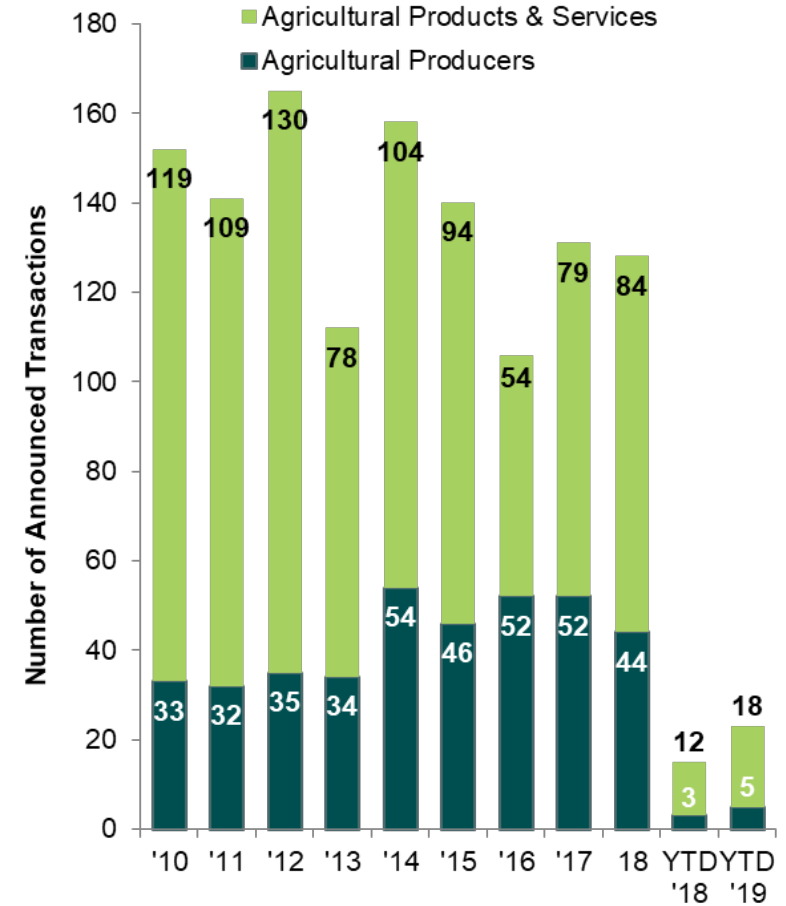
*Moss Adams Capital acted
as a financial advisor to
Sage Fruit Marketing Co. and Legacy
Fruit Packers, LLC in this transaction.*

- Legacy Fruit Packers LLC and Sage Fruit Company Inc. (combined, “Project Crisp” or the “Company”) announced they have entered into a definitive agreement to sell the operations to International Farming Corporation (IFC). Project Crisp is a leading vertically integrated packer, processor and marketer of apples cherries and pears.
- Project Crisp, a top 8 supplier and marketer of premium tree fruit in the nation, has been packing and marketing fruit for over a decade to customers nationally and internationally. The Company’s elite customer relationships, quality of service and products, have earned the Company a reputation as one of the best suppliers of premium tree fruit in the nation. Project Crisp packs and markets over 5 million boxes annually.
- International Farming Corp. was attracted by Project Crisp’s scale and leading industry position. The organization’s ability to generate above market profit margins was attributable to a strong management team, new and improved facilities, and the latest technology used in efficiently packing and shipping premium tree fruit.
- Moss Adams Capital was hired by ownership and the Company to help evaluate transition alternatives for the business. After preparing the Company for a transaction process, Moss Adams Capital also took the Company to market and assisted with successfully negotiating and closing a transaction that addressed the objectives of ownership. As a hallmark of Moss Adams Capital transactions, the Moss Adams Yakima office played a critical role in optimizing the tax structure and estate planning outcomes of the transaction.

Overview of Agribusiness M&A Landscape



- Reported M&A activity in the Agribusiness sector declined marginally in 2018 compared to 2017, although Deal Size and Deal Values increased. Interestingly, Agribusiness M&A, as a % of total M&A, has increased in the past two years, as more interest in the segment has developed.
- Consolidation and increased PE Sponsorship within the Agribusiness industry is expected to continue for the foreseeable future. It is also expected that Agribusiness M&A will continue to increase as a % of total M&A over the next several years.
- M&A activity in the Vegetable Seeds, Fresh Produce, Precision Agriculture and Biotechnology segments continued to be active as over 60% of crop agriculture transactions involved businesses categorized in one of those four sectors. This trend is expected to continue in 2019 as consumer demand for fresh and healthy food options continues to increase leading to a rising interest in vegetable seed and fresh produce companies.
- Agribusiness M&A activity through the first two months of 2019 is off to a fast start with deal volume up over 50% from the same YTD period in 2018.



Note: Middle market M&A includes transactions with EV < \$1000mm, and transactions with undisclosed EV. YTD as of March 1, 2019.

2,800+ Food, Beverage & Agribusiness (FB&A) Clients

20+ FB&A M&A transactions advised in 2018



ARIZONA
Phoenix

CALIFORNIA
Fresno
Los Angeles
Manhattan Beach
Napa
Orange County
Silicon Valley
Sacramento
San Diego
San Francisco
Santa Rosa
Stockton
Walnut Creek
Woodland Hills

COLORADO
Denver

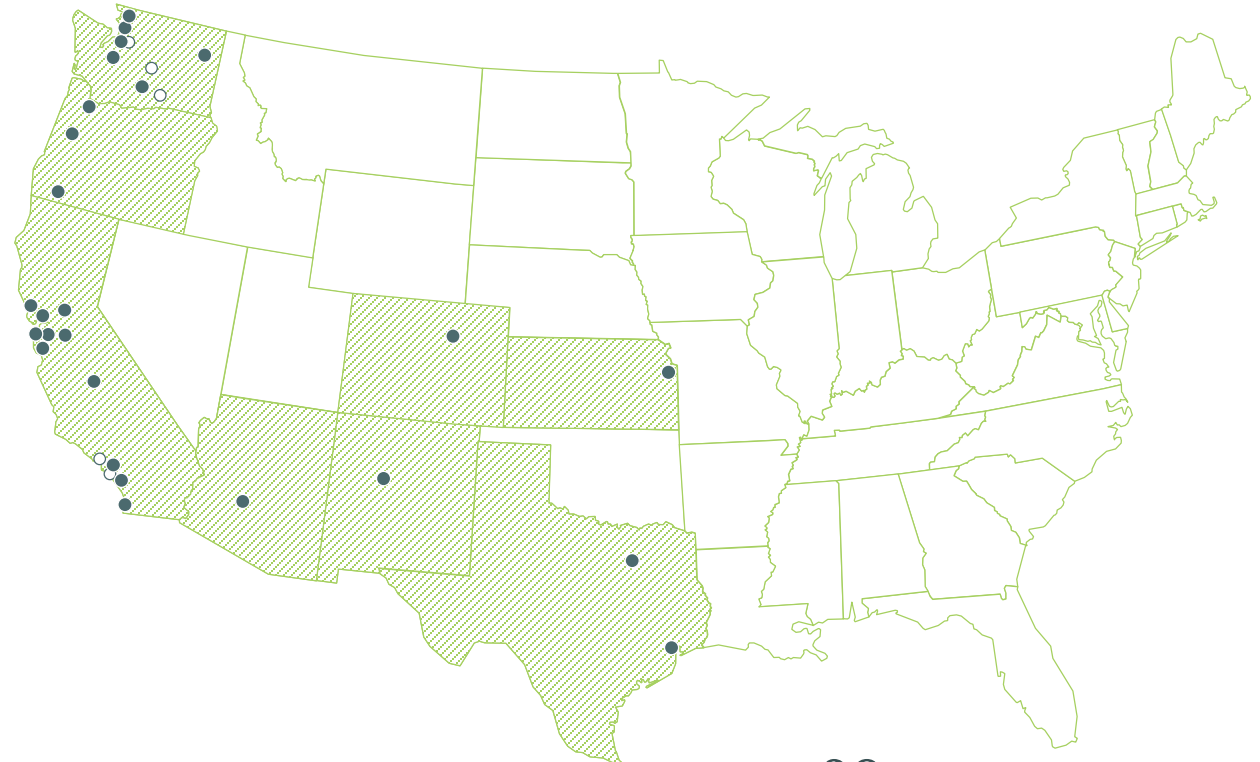
KANSAS
Kansas City

NEW MEXICO
Albuquerque

OREGON
Eugene
Medford
Portland

TEXAS
Dallas
Houston

WASHINGTON
Bellingham
Everett
Issaquah
Seattle
Spokane
Tacoma
Tri-Cities
Wenatchee
Yakima



●	Moss Adams Location
○	Satellite

◀ **30+**
locations west of
the Mississippi



Moss Adams Services

We offer a full range of services and specializations that span accounting, consulting, and wealth management to suit your specific needs.

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Contract Compliance	
Sustainability	
TAX	
Accounting for Income Taxes (ASC 740)	
Accounting Methods	
Compensation & Benefits	
Credits & Incentives	
International	
State & Local	
Controversy & Dispute Resolution	
Tax Structuring	
Transfer Pricing	

Consulting	
TRANSACTIONS	
Investment Banking	
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M&A Tax	
Restructuring	
Valuations	
IT	
Compliance	
Cybersecurity	
Assessment & Planning	
Development & Integration	
STRATEGY & OPERATIONS	
Business Planning	
Performance Audits	
Succession Planning	

Wealth Management	
INDIVIDUAL	
Tax	
Financial Planning	
Investments	
Family Office	
INSTITUTIONAL	
Investments	
Insurance	



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