

# FOOD PRODUCTION MARKET ANALYSIS FORECASTS LONG-TERM RECOVERY

FOOD PRODUCTION SECTOR UPDATE | AUGUST 2024



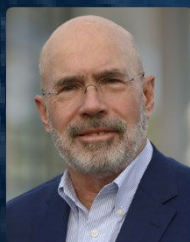
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# Food Production

## Food Production Market Analysis Forecasts Long-Term Recovery

### KEY SECTOR TAKEAWAYS

Capstone Partners' [Agriculture Investment Banking Group](#) is pleased to share its inaugural Food Production report, which found that macroeconomic pressures, such as rising input costs and falling farm gate commodity prices, are expected to further burden sector participants' revenue and margins through year-end. Despite this, historical consolidation trends coupled with a long-term projection for normalization are expected to help bolster sector growth in the foreseeable future. Several key takeaways are outlined below.

1. Merger and acquisition (M&A) activity in the Food Production sector has decelerated in 2024 with 29 transactions announced or closed year-to-date (YTD), a 39.6% decrease year-over-year (YOY).
2. As input costs have continued to rise and commodity prices have fallen, sector players will continue to see depressed income levels and strained balance sheets through year-end 2024. However, as inflationary pressures recede, sector growth is anticipated to resume and the market to normalize through 2033.
3. U.S. agricultural cooperatives (co-ops) continue to combine (and their number to decline) as co-op's and their members pursue M&A opportunities to achieve efficiencies of scale and to strengthen their ability to compete against fully-integrated, multi-national agribusinesses.
4. Volatile macroeconomic conditions and balance sheet strains among sector players in 2024 are expected to provide ripe opportunities for sector M&A activity in the near-term. Specifically, larger strategics and private equity buyers will seek out acquisition opportunities in smaller-sized operations where owners have begun exploring liquidity options.
5. Capstone's Agricultural Investment Banking Group is poised to help support the expected increase in deal activity as the market recovers.

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To learn more about Capstone's wide range of advisory services and Food Production sector knowledge, please [contact us](#).

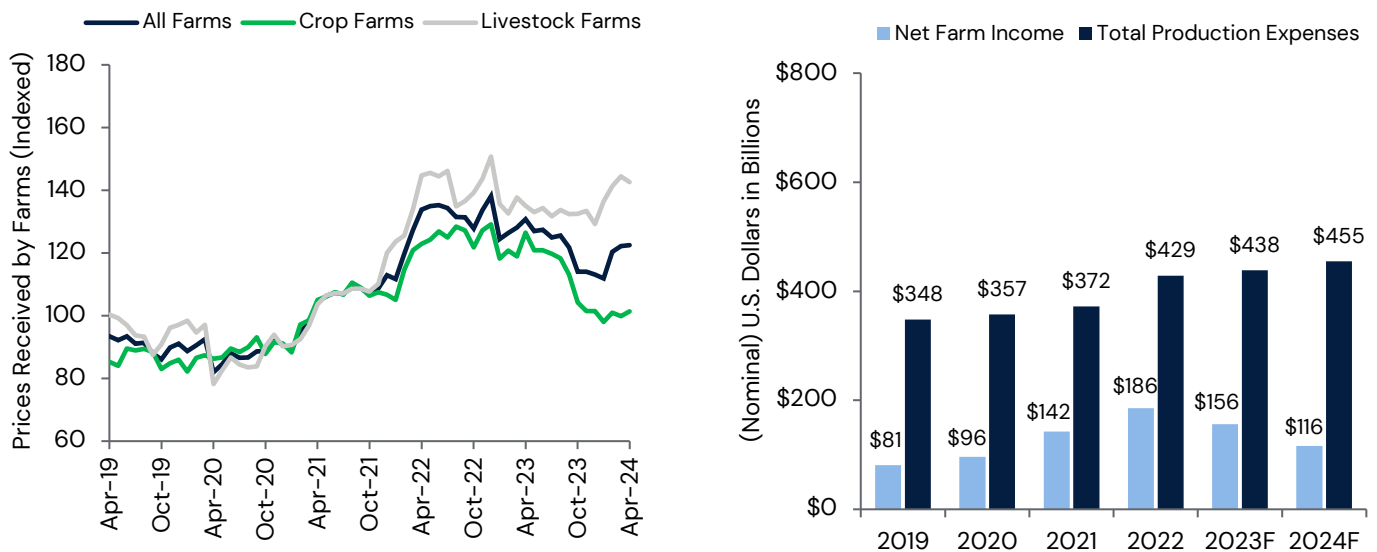
## CONSOLIDATION PROVIDES RELIEF IN VOLATILE MARKET CONDITIONS

Since the COVID-19 pandemic, the Food Production sector has experienced macroeconomic volatility; seeing elevated commodity prices, supply chain constraints, high input costs, weather-related disruptions, and global supply shortages from geopolitical conflicts. Notably, in 2022, total U.S. net farm income reached an all-time high of \$185.5 billion, according to the U.S. Department of Agriculture (USDA) Economic Research Service’s (ERS) 2024 Farm Sector Income Forecast.<sup>1</sup> That year, farm income was boosted by an inflationary environment and crop shortages resulting from the ongoing conflict in Ukraine. These factors drove elevated prices and sales for U.S. corn, soybean, wheat, and livestock. However, as input costs have continued to rise and commodity prices have fallen during the first half of this year, aggregate U.S. farmer net income, adjusted for inflation, is forecasted to fall 27.1% YOY in 2024 to \$116.1 billion, the largest annual decline in farm income since 2006. Adding to the pain, production expenses are projected to rise 3.8% YOY in 2024 to \$455.1 billion, according to the USDA ERS 2024 Farm Sector Income Forecast. As a result, growth among Food Production sector players is expected to remain pressured throughout 2024 and into 2025. For example, in its Q1 2024 earnings call, Fresh Del Monte Produce (NYSE:FDP) lowered its full-year 2024 profitability projection based on expected higher per unit production and procurement costs and a competitive market expected to result in softer sales prices and a 3–4% decline in sales volume.<sup>2</sup>

Despite macroeconomic volatility through 2024, the Food Production sector is expected to stabilize through 2033. For example, animal product production levels are expected to increase and reach record yields through 2033 and combined production for fruit, tree nuts, vegetables, and pulses is forecasted to reach 173 billion pounds by 2033 (up 4.3% over 2022), according to the USDA ERS’ 2024 Long-Term Projections report.<sup>3</sup> As the inflationary environment stabilizes, commodity prices and input costs are expected to moderate and by 2033, total net U.S. farm income is projected to reach \$123.6 billion. Global rising populations and increasing food shortages are projected to drive demand and sector growth, according to the report.

Meanwhile, consolidation among industry participants will likely continue. The total number of U.S. farms has fallen 10.7% since 2012, according to the USDA 2022 Census of Agriculture.<sup>4</sup> This trend is expected to persist, particularly as larger agribusinesses look to acquire greater market share. Capstone anticipates that consolidation trends will be further driven by small- to mid-sized operations seeking M&A opportunities to provide liquidity to retirement-aged farmers, to expand value chain opportunities, and to boost market share.

### Net Farm Income Set to Decline in 2024 as Farmers See Prices Recede, Expenses Rise



Source: U.S. Department of Agriculture Economic Research Service, U.S. Department of Agriculture National Agricultural Statistics Service, and Capstone Partners as of June 7, 2024



## AFTER DECLINE, M&A VOLUME SHOWS SIGNS OF RECOVERY

M&A activity in the Food Production sector decelerated in 2024, with 29 transactions announced or closed YTD, a 39.6% decrease YOY. The decline may be explained, in part, by impacted profitability from falling commodity prices and increased production costs. However, market conditions remain ripe for consolidation, especially for smaller-sized operations seeking liquidity options. Capstone anticipates an influx of sector targets as the average age of U.S. farmers continues to rise (58.1 years in 2022, up 11.1% from 2017), leading to exit as a retirement option, according to a USDA National Agriculture Statistics Service (NASS) producer report.<sup>5</sup>

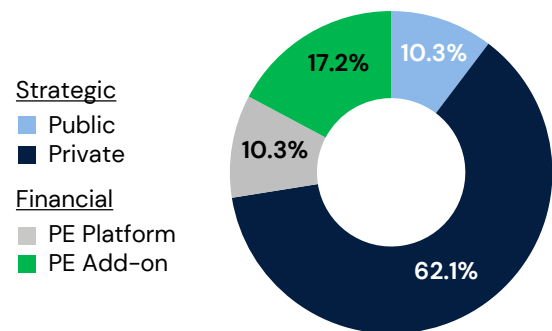
On the buy side, strategics are shopping for bargains. While sector deal volumes have declined, strategics, particularly those that are privately owned, have buoyed M&A activity through YTD. Strategic buyers have represented the majority (72.4%) of sector M&A deals YTD, with this charge led by private strategic agribusinesses (62.1%). Looking ahead, public buyers are optimistic that M&A activity will recover. “I think the M&A environment is interesting right now, because the pure volume of opportunities has increased,” Post (NYSE:POST) CEO, Robert Vitale, noted in a Q2 earnings call.<sup>6</sup> Food Production sector players have increasingly turned to M&A to bolster product diversity and capture more of the value chain—from growing and packing to distribution.

Average M&A EBITDA multiples in the Food Production sector have fallen to 8.3x between 2021 and YTD 2024, compared to 10.6x from 2018–2020. The fall reflects increased margin pressure from the sharp rise in production costs. Nonetheless, sector buyers have demonstrated a willingness to acquire businesses with enhanced efficiencies, technologies, and healthy market share. Capstone expects multiples to improve as the market recovers and deal volume increases.

**Food Production M&A Volume To-Date Trails Prior Year Period**



**Private Strategic Buyers Drive Sector Year-to-Date Deal Activity**



Year-to-date (YTD) ended May 28  
 Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

Food Production Valuation Analysis		
Valuation Method	Average Revenue Multiple	Average EBITDA Multiple
Food Production Sector M&A Deals (2018–2020)	0.7x	10.6x
Food Production Sector M&A Deals (2021–YTD)	0.9x	8.3x

Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

## CO-OP'S ACCELERATE M&A TO DRIVE GAINS IN EFFICIENCIES OF SCALE

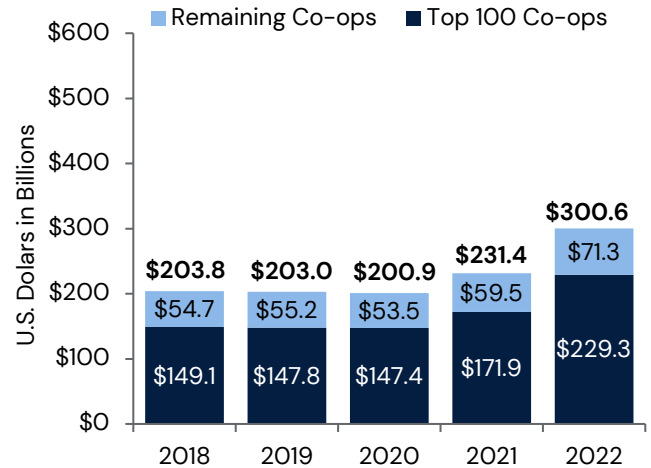
**76.3%** OF TOTAL 2022 REVENUES FROM ALL AGRICULTURE CO-OPS WAS GENERATED BY THE TOP 100 CO-OPS, UP FROM 70.1% IN 2015.

Farming cooperatives (co-ops) have been a mainstay in rural America for more than a century. As of 2022, there were 1,671 Farmer, Rancher, and Fishery co-ops in the U.S., according to a USDA Rural Development press release.<sup>7</sup> During the last 10 years, 435 agricultural co-ops have left the market. While some of these exits have been through dissolution, most are attributable to increased merger activity among co-ops and their associated members.

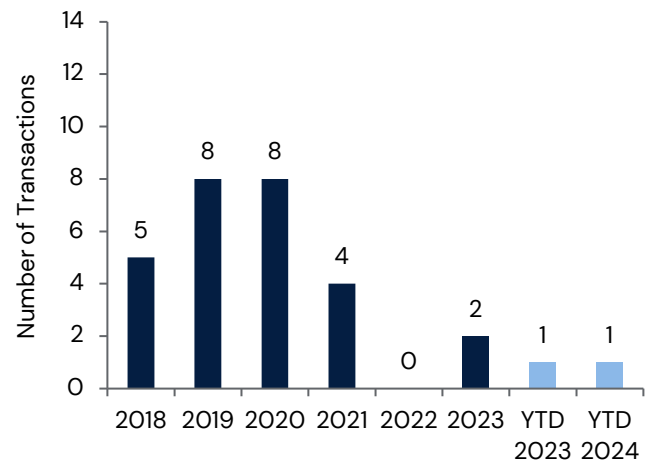
Going head-to-head with expanding, fully-integrated agribusinesses from here and abroad, farm co-ops and their members are expected to continue using M&A to diversify and integrate compatible food processing, inputs and marketing operations. Looking ahead, Capstone anticipates farming co-ops to increasingly seek out merger opportunities to increase member bases and gain efficiencies of scale.

In May, Gold-Eagle Cooperative (GEC) announced a merger with Farmers Co-op Association (FCA) (terms undisclosed). Both Iowa-based co-ops manage feed, grain, and agronomy operations. Set to close in July, GEC will acquire FCA's assets and liabilities and integrate two voting directors and an associate from its board. GEC aims to leverage the merger to help streamline processes and cut costs across its operations, according to GEC's website.<sup>8</sup>

**Total Revenues Among the Top 100 Largest Agriculture Co-ops Rises Sharply in 2022**



**Food Production Deals Including Agriculture Co-ops on Par Year-over-Year**



Year-to-date (YTD) ended May 28  
 Source: U.S. Department of Agriculture Rural Development, Capital IQ, PitchBook, FactSet, and Capstone Partners



**Jerry Sturgill**  
 Managing Director, Head of Agriculture Investment Banking

*"Consolidation will continue to drive M&A activity in the Agricultural industry, as market participants seek efficiencies of scale to cope with increasing inputs costs and competition both domestic and foreign."*

## RECENT NOTABLE TRANSACTIONS: FOOD PRODUCTION



King Ranch announced in April that it acquired a 50% stake in Cobalt Cattle (undisclosed). With six feedyards across Colorado, Kansas, and Texas, Cobalt Cattle operates as the fourth-largest cattle feeding operation in the U.S., according to a press release.<sup>9</sup> The deal demonstrates King Ranch’s strategy to bolster its value chain by investing in various areas across the Beef vertical. King Ranch will join AGR Partners, a specialty food and agribusiness investor, who alongside StepStone Group (Nasdaq:STEP) acquired a 50% stake in Cobalt Cattle (September 2019, \$154.5 million).

PTF Holdings, the parent company of Pacific Trellis Fruit and portfolio company of Arable Capital Partners, announced in February that it acquired a 65% stake in Progressive Produce from Dole (NYSE:DOLE) for an enterprise value of \$185 million, equivalent to 0.5x EV/Revenue. Founded in 1967, Progressive Produce provides fresh produce such as potatoes, onions, and asparagus to California consumers. Progressive Produce will partner with Pacific Trellis as a sister company but will continue to operate independently and keep Marty Kramer as CEO, according to a press release.<sup>10</sup>



Frutura, a provider of produce and marketing network services, announced its acquisition of Sun Belle, a marketer and grower of a full-line of conventional and organic berries (October 2023, undisclosed). Sun Belle’s assets include five U.S. distribution warehouses, according to *Fruitnet*.<sup>11</sup> The deal was announced alongside Frutura’s acquisition of Chile-based Giddings Fruit (October, undisclosed), a long-time partner of Sun Belle and global supplier of berries and cherries with growing and packing operations in Mexico and South America. As part of its strategic vision, both deals expand Frutura’s Berry product mix and enable year-round produce deliveries to consumers.

Blue Road Capital, a private equity firm focused on vertically integrated food and agriculture businesses, acquired NatureSweet, a provider of greenhouse-grown tomatoes, peppers, and cucumbers, for \$259.5 million in September from Silver Ventures. Founded in 1990, NatureSweet creates branded snacking tomatoes and reigns as the product’s best seller across North America. Furthermore, the company is the largest vertically integrated agriculture business in North America with more than 6,000 employees, according to a press release.<sup>12</sup> The deal reflects Blue Road’s goal to accelerate growth by investing in innovation and by expanding into new distribution channels.

### Key Food Production M&A Drivers and Trends



#### Supply Chains Dominate M&A

Target companies in the Supply Chain segment have accounted for 54.8% of total YTD 2024 transactions.



#### Fresh and Organic Food and Branding

U.S. organic food retail sales have increased at an average 8% each year between 2011 and 2021, according to the USDA ERS Overview Report on Organic Agriculture.<sup>13</sup>



#### Technology Enabled Efficiency

Forty-eight percent (48%) of farmers indicated that they need to be more efficient on the same land in order to be more successful in the future, according to survey data from Bayer (XTRA:BAYN).<sup>14</sup>



## SELECT FOOD PRODUCTION M&A TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV / LTM	
					Revenue	EBITDA
05/22/24	Hacienda North Farms	Mucci Farms	Operates a 159-acre greenhouse facility farm.	-	-	-
05/17/24	Farmers Cooperative Association	Gold-Eagle Cooperative	Consists of an agricultural products and services company based in Forest City, Iowa.	-	-	-
04/29/24	San Miguel Produce	Grimmway Farms	Produces, processes, and sells organic and conventional dark leafy vegetables.	-	-	-
04/09/24	Cobalt Cattle	King Ranch	Operates cattle feeding facilities.	-	-	-
03/27/24	Wholesale Business of YBB Technology	Fresh2 Information	Comprises food wholesale business.	\$72.2	-	-
03/14/24	Certain Assets of Tyson Foods (NYSE:TSN)	Cal-Maine Foods (Nasdaq:CALM)	Comprises a broiler processing plant, hatchery, and feed mill.	-	-	-
03/11/24	Performance Produce	GrubMarket	Distributes family-owned produce and specialty foods.	-	-	-
03/05/24	Greenville Produce	Foster-Caviness	Delivers fruits and vegetables catering to schools, restaurants, and retailers.	-	-	-
02/28/24	Censea	Infifresh Foods	Imports and markets frozen sea food products to U.S. retail and commercial buyers.	-	-	-
02/27/24	Progressive Produce	Pacific Trellis Fruit	Grows, packs, distributes, and ships fresh produce products.	\$185.0	0.5x	-
02/15/24	Alimentation Dynamic	Phoenix Partners Management	Purchases and distributes imported beef, veal, and lamb products.	-	-	-
01/16/24	J.C. Cheyne & Co.	GrubMarket	Produces and sells onions and potatoes.	-	-	-
12/18/23	Applewood Fresh Growers/Orchards	FirstFruits Farms	Operates an apple growing and packing facility in east Michigan.	-	-	-
11/16/23	Sonoma-Cutrer Vineyards	The Duckhorn Portfolio (NYSE:NAPA)	Manufactures and distributes Chardonnay.	\$391.5	4.7x	-
11/16/23	Assets of Catalina Offshore Products	Beish Holdings	Comprises seafood distribution business.	-	-	-
11/14/23	Newport Lobster	Bellevue Asset Management	Distributes seafood intended for restaurants, markets, and communities.	-	-	-
11/08/23	B&G's Green Giant Vegetable Product Line	Seneca Foods (Nasdaq:SENE.A)	Consists of the U.S. Green Giant product line of shelf stable vegetables.	\$55.2	-	-
11/02/23	Safeway Freezer Storage	Americold Realty Trust (NYSE:COLD)	Provides cold storage and warehouse services for food products.	\$24.0	-	-
10/31/23	Rose Acre Farms	White River Soy Processing	Operates a soybean crushing facility for processing soy located in Seymour, Indiana.	\$36.0	-	-
10/16/23	All Assets of Sun Belle	Frutura	Grows, ships, markets, and merchandises fruits and vegetables to consumers.	-	-	-
10/12/23	Sunrise Growers	Nature's Touch Frozen Foods	Packs and sells processed frozen fruit products out of Placentia, California.	\$141.0	-	-
09/28/23	Fassio Egg Farms	Cal-Maine Foods (Nasdaq:CALM)	Comprises an egg production business.	\$54.9	-	-
09/19/23	NS Brands	Blue Road Management	Produces tomatoes, peppers, and cucumbers.	\$259.5	-	-

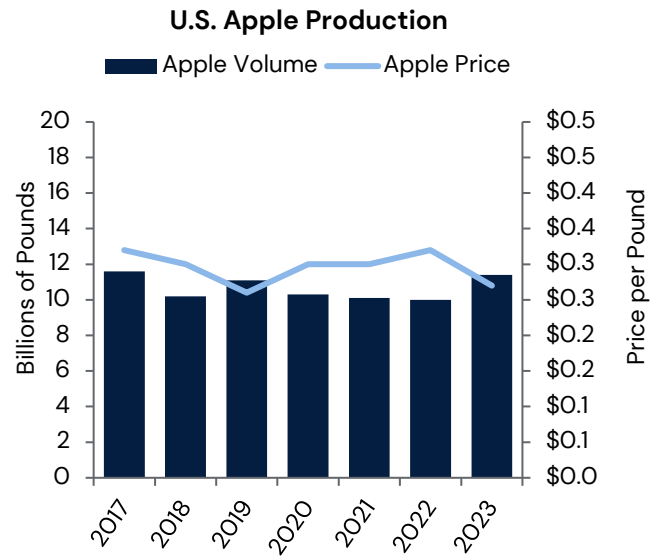
Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

## FOOD PRODUCTION UPDATE: FRUIT & TREE NUTS

In 2023, higher U.S. production yields in the Fruit and Tree Nut categories, specifically apples, oranges, and strawberries, drove growers' average prices down YOY. Notably, as of January 2024, the Fruit and Tree Nut Grower Prices Received index declined 3% YOY but remains 10% above the average January index between 2019 and 2021, according to the USDA ERS' March 2024 Fruit and Tree Nuts outlook report.<sup>15</sup>

### Apples

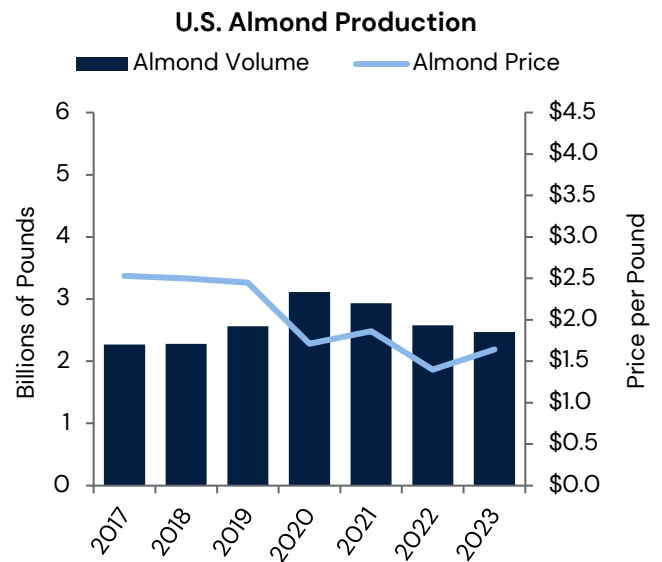
- In 2023, U.S. farmers saw a 14.6% YOY decline in the average price received for apples, dropping to \$0.27 per pound.
- U.S. apple production increased 13.9% YOY in 2023 to 11.4 billion pounds. The increase stemmed from a 9% YOY rise in production volume from Washington state, which produces roughly two-thirds of all U.S. apples, according to the USDA ERS' outlook report.
- While Gala and Red Delicious apples have remained the top produced U.S. varieties, growers have begun swapping older orchards with newer varieties. Since 2018/2019, Red Delicious production has fallen 42% while Honeycrisp yields rose 46%, according to the U.S. Apple Association.<sup>16</sup> After two seasons of growth, Cosmic Crisp yields have risen 45%.



Source: U.S. Department of Agriculture National Agricultural Statistics Service and Capstone Partners

### Almonds

- U.S. Almond production in 2023 decreased 4.3% YOY to 2.5 billion pounds. Since 2020, Almond production volume has declined each year; down 20.7% over the past three years.
- After peaking at \$4 per pound in 2014, average U.S. almond prices have steadily declined, reaching a trough at \$1.4 per pound in 2022. Farmers saw inflation boost average prices for the first time in nine years, rising 17.1% YOY in 2023 to \$1.64 per pound.
- Projections for high tree nut yields in 2024 and 2025 are expected to pressure prices downwards due to improved weather conditions during almond pollination season according to the USDA ERS' outlook report.



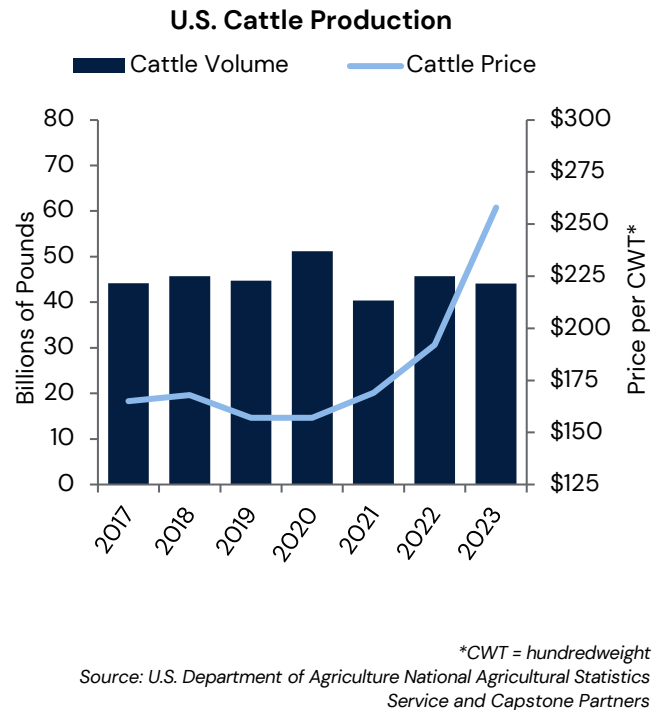
Source: U.S. Department of Agriculture National Agricultural Statistics Service and Capstone Partners

## FOOD PRODUCTION UPDATE: LIVESTOCK, DAIRY, & POULTRY

Production volumes across the Animal Protein category, excluding beef, are forecasted to grow 1.7% on average between 2024 and 2025, according to the USDA ERS' May 2024 Livestock, Dairy, and Poultry outlook report.<sup>17</sup> Between 2025 and 2033, the USDA expects the Animal Protein category, excluding turkey, to see double-digit production growth, with commercial pork leading the pack with a forecasted 13.6% increase in production, according to the USDA's long-term projections report.

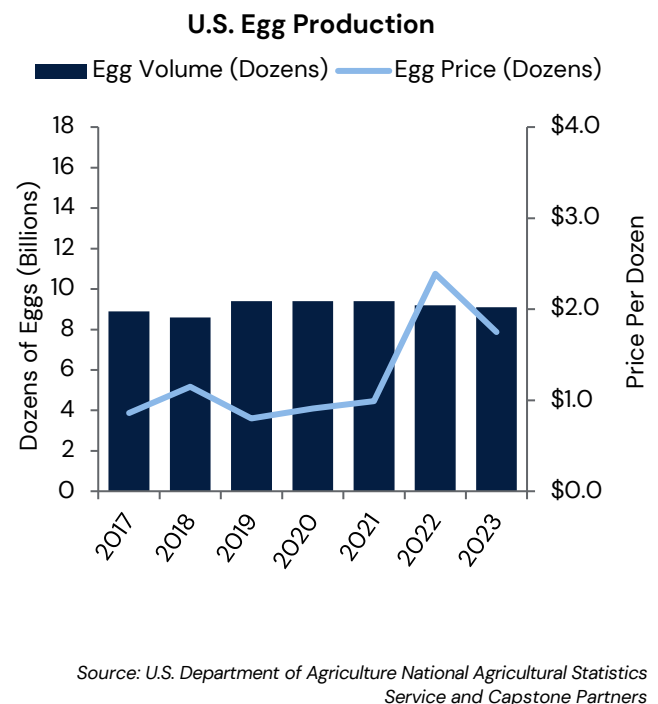
### Cattle

- As of January, U.S. cattle inventory totaled 87.2 million per head, a 2% YOY decrease, and the lowest herd level since 1951, according to a USDA Foreign Agricultural Service report.<sup>18</sup>
- U.S. cattle production, including calves, decreased 3.6% YOY in 2023 to 44.1 billion pounds. Tightened U.S. cattle inventories are projected to see beef production decline 6% YOY to a forecasted 25.1 billion pounds in 2025, according to a USDA ERS outlook report.
- In 2023, U.S. cattle farmers/ranchers saw average prices for cattle increase 34.4% YOY to \$258 per hundredweight (CWT). Average cattle prices have increased 64.3% since 2019 and are projected to continue rising into 2025 due to low cattle inventory levels.



### Eggs

- In Q1 2024, U.S. egg production totaled 2.3 billion dozens of eggs, up 2.6% YOY compared to the prior year period, according to the most recent data from the USDA NASS.<sup>19</sup>
- In Q1 2024, U.S. farmers saw a 19.4% YOY decline in the average price received for eggs, dropping to \$2.3 per dozen eggs.
- In 2023, total U.S. egg production decreased 0.4% YOY to 9.1 billion dozens of eggs.
- At the national level, farmers saw the average price received for eggs decrease 26.8% YOY in 2023 to \$1.75 per dozen eggs. The decline in average price received follows three years of growth between 2019 and 2022, peaking at \$2.39 per dozen eggs in 2022.



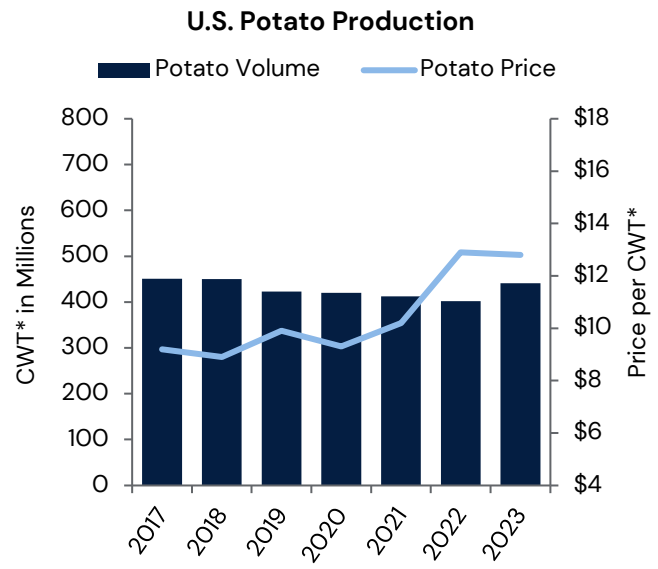


## FOOD PRODUCTION UPDATE: VEGETABLES & MUSHROOMS

Despite a 6.5% reduction in the total number of U.S. vegetable farms (excluding mushrooms) and a 1.4% decline in area harvested at U.S. vegetable farms, inflation-adjusted real sales of vegetables increased 82% between 2017 and 2022, according to the USDA ERS' April 2024 Vegetable and Pulses Outlook report.<sup>20</sup> Supply chain disruptions coupled with higher input costs increased grower prices at U.S. vegetable farms and saw average sales climb from \$280,000 in 2017 to \$500,000 in 2022.

### Potatoes

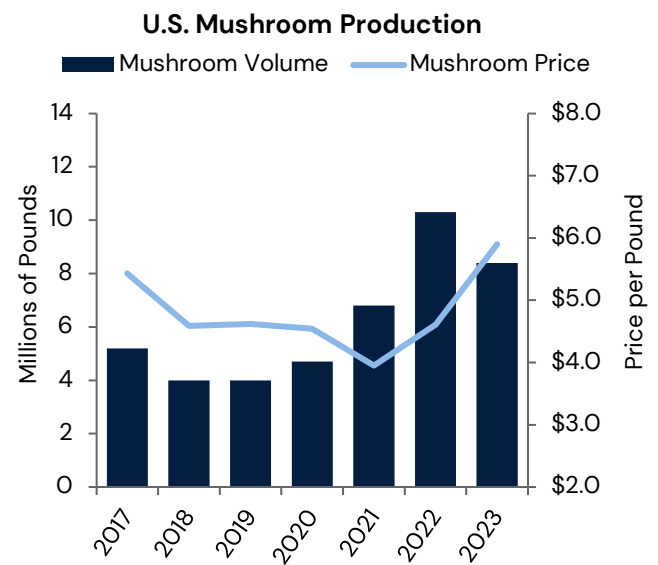
- At the national level, farmers saw the average potato price decrease 0.8% YOY in 2023 to \$12.8 per hundredweight (CWT).
- In 2023, the planted acreage in the U.S. for potato crops reached its highest level since 2017, and subsequently led to the crop's second-highest yield on record, according to the USDA ERS' April 2024 Vegetable and Pulses outlook report.
- As a result, U.S. potato production increased 9.6% YOY in 2023 to 440.8 million CWT. U.S. Potato production volumes grew YOY in 2023 for the first time since 2019.



\*CWT = hundredweight  
Source: U.S. Department of Agriculture National Agricultural Statistics Service and Capstone Partners

### Mushrooms

- U.S. farmers saw the average price for specialty and other mushroom types increase 28% YOY in 2023 to \$5.9 per pound.
- At the national level, U.S. production of specialty and other mushrooms decreased 17.7% YOY in 2023 to 8.4 million pounds.
- Per capita availability for mushrooms declined by 7% in between the 2022/2023 and 2021/2022 marketing seasons, due to lower import activity as well as domestic production, according to the USDA ERS' April 2024 Vegetable and Pulses outlook report. However, in 2023, mushroom sales have increased 19.9% over the past 10-years, driven by increasing popularity among consumers and institutions alike, according to The Mushroom Council.<sup>21</sup>



Source: U.S. Department of Agriculture National Agricultural Statistics Service and Capstone Partners

# FOOD PRODUCTION VOLATILITY SEES PUBLIC COMPANIES TRAIL S&P 500

## FOOD PRODUCTION

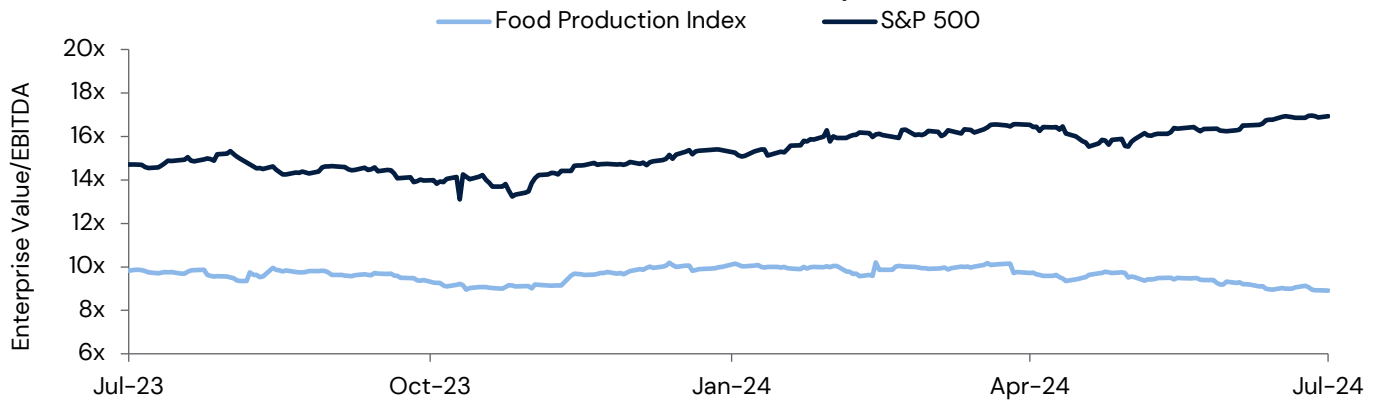
Company	Price 7/2/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV/LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Conagra Brands, Inc.	\$28.30	82.3%	\$13,529.2	\$22,198.6	\$12,118.3	\$2,438.2	20.1%	1.8x	9.1x
Fresh Del Monte Produce Inc.	\$21.72	76.1%	\$1,040.3	\$1,599.6	\$4,300.1	\$315.4	7.3%	0.4x	5.1x
General Mills, Inc.	\$63.30	81.5%	\$35,330.6	\$48,479.5	\$19,857.2	\$4,576.2	23.0%	2.4x	10.6x
Glanbia plc	\$19.55	94.9%	\$5,080.7	\$5,428.1	\$5,425.4	\$473.8	8.7%	1.0x	11.5x
Hortifrut S.A.	\$0.00	0.0%	\$0.0	\$864.8	\$1,120.2	\$147.6	13.2%	0.8x	5.9x
John B. Sanfilippo & Son, Inc.	\$95.85	80.7%	\$1,112.2	\$1,160.0	\$1,031.4	\$113.3	11.0%	1.1x	10.2x
Lamb Weston Holdings, Inc.	\$82.74	70.5%	\$11,946.9	\$15,765.4	\$6,550.6	\$1,851.1	28.3%	2.4x	8.5x
Marfrig Global Foods S.A.	\$2.25	99.1%	\$2,077.2	\$1,607.0	\$26,542.6	\$1,684.3	6.3%	0.4x	6.9x
Post Holdings, Inc.	\$103.64	95.8%	\$6,279.1	\$12,369.4	\$7,769.7	\$1,298.8	16.7%	1.6x	9.5x
The Kraft Heinz Company	\$31.86	81.8%	\$38,687.5	\$57,772.5	\$26,562.0	\$7,263.0	27.3%	2.2x	8.0x
Tyson Foods, Inc.	\$57.36	92.5%	\$20,421.6	\$29,225.6	\$52,879.0	\$2,902.0	5.5%	0.6x	9.7x

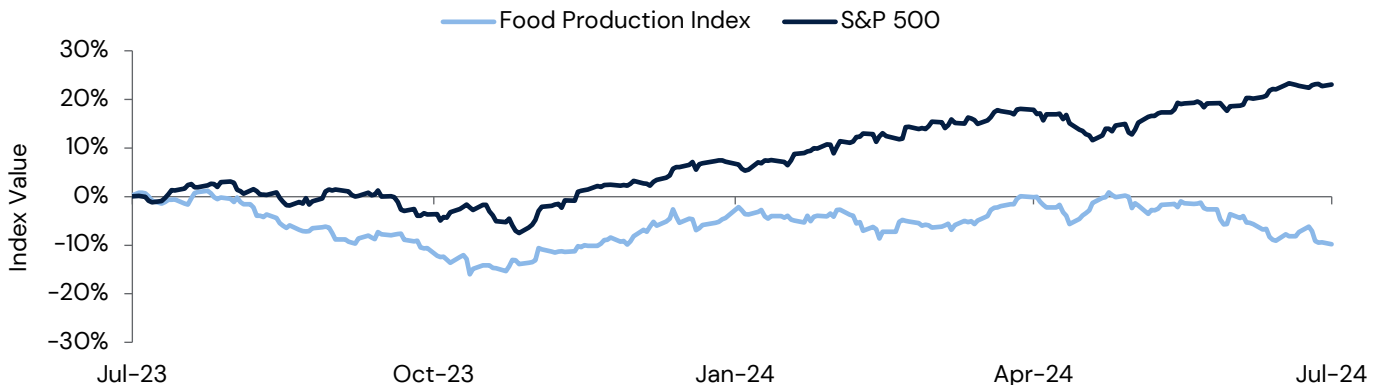
Mean	15.3%	1.3x	8.6x
Median	13.2%	1.1x	9.1x
Harmonic Mean	11.3%	0.9x	8.1x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data

**Food Production Index EBITDA Multiple Performance**

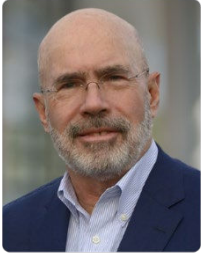


**Food Production Index Return Performance**



Capstone Partners' Food Production Index includes: CAG, FDP, GIS, GL9, HF-B, JBSS, KHC, LW, MRFG3, POST, TSN  
Source: Capital IQ and Capstone Partners as of July 2, 2024

## FOOD PRODUCTION REPORT CONTRIBUTORS



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Jerry is a Managing Director and leads Capstone Partners' Agriculture Investment Banking Group. He has more than 30 years of experience across multiple disciplines, including investment banking, corporate law, and business operations. Jerry specializes in working with companies operating in agriculture, related food-processing, ag-tech and farm-based energy production. His vast expertise spans many areas, including mergers & acquisitions advisory, capital structuring, corporate governance, and tax structuring.

Prior to rejoining Capstone, Jerry co-founded boutique investment banking firm Galena Capital, based in Boise, ID. Previously, he was a Managing Director at Headwaters MB (now Capstone Partners). Additionally, he has experience as the turnaround CEO of a regional security company and as a board member and investor in a dairy processing company with distribution throughout the U.S. Jerry began his career as a corporate attorney at Latham & Watkins in New York, NY and Stoel Rives LLP in Boise, ID.



### **Skye Root**

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Skye is a Managing Director within Capstone Partners' Agriculture Investment Banking Group. He brings nearly 20 years of vast experience in both institutional investment and agriculture, having developed a unique combination of deep expertise in the intersection of the two industries. He specializes in working with companies operating in the food and agricultural production, agricultural inputs, and ag-tech sub sectors. Skye is also the Founder of Root Agricultural Advisory where his team manages and grows farmland portfolios throughout the western U.S.

Prior to Capstone, Skye was a Managing Director and Head of the Agricultural practice at Galena Capital, a boutique investment banking firm based in Boise, ID. Previously, he was a Senior Vice President at Westchester Group Investment Management, a global farmland asset management firm. Skye has served on several private and non-profit boards and committees, including the Americans Society of Farm Managers and Rural Appraisers (ASFMRA), CFA Society of Idaho, Boy Scouts of America, and Farmer to Farmer. He was named the 2022 ASFMRA Farm Manager of the Year. He is a licensed real estate broker and is a graduate of Leadership Idaho Agriculture.



### **Izzy Jack**

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Izzy serves as a Market Intelligence Associate at Capstone Partners covering the Agriculture, Transportation & Logistics, and Building Products & Construction Services industries. Prior to joining Capstone, Izzy was a Research and Insights Associate for the PR Agency Racepoint Global, where she conducted secondary research to help guide brand communication strategies for clients in industries such as Consumer Technology. Izzy graduated with a Bachelor of Arts degree in Business from Southwestern University.



## FIRM TRACK RECORD

Capstone Partners' Agriculture Investment Banking Group has represented clients across various Agricultural specialties. Our deep industry focus allows us to provide our clients with real-time transaction feedback and immediate access to key decision makers among the most active acquirers and investors in the Agriculture industry. A sampling of closed transactions is shown below.

 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS DIVESTED ASSETS TO</p> <p>NDSM Holdings LLC a joint venture entity formed by</p>   	 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS PARTNERED WITH</p>  <p>A TIAA Company</p>
<p><b>Mensonides Dairy</b></p> <p>HAS BEEN ACQUIRED BY</p> 	<p><b>TETON VALLEY BRANDS</b></p> <p>HAS RAISED SEED CAPITAL</p> <p>FINANCIAL ADVISOR</p>	<p><b>English Ranches</b></p> <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 
 <p>HAS BEEN ACQUIRED BY</p> 	 <p>HAS BEEN ACQUIRED BY</p> 	<p><b>Global Organic Specialty Source, Inc.</b></p> <p>HAS BEEN ACQUIRED BY</p>  	 <p>HAS BEEN ACQUIRED BY</p> <p>AN INDIVIDUAL INVESTOR</p>

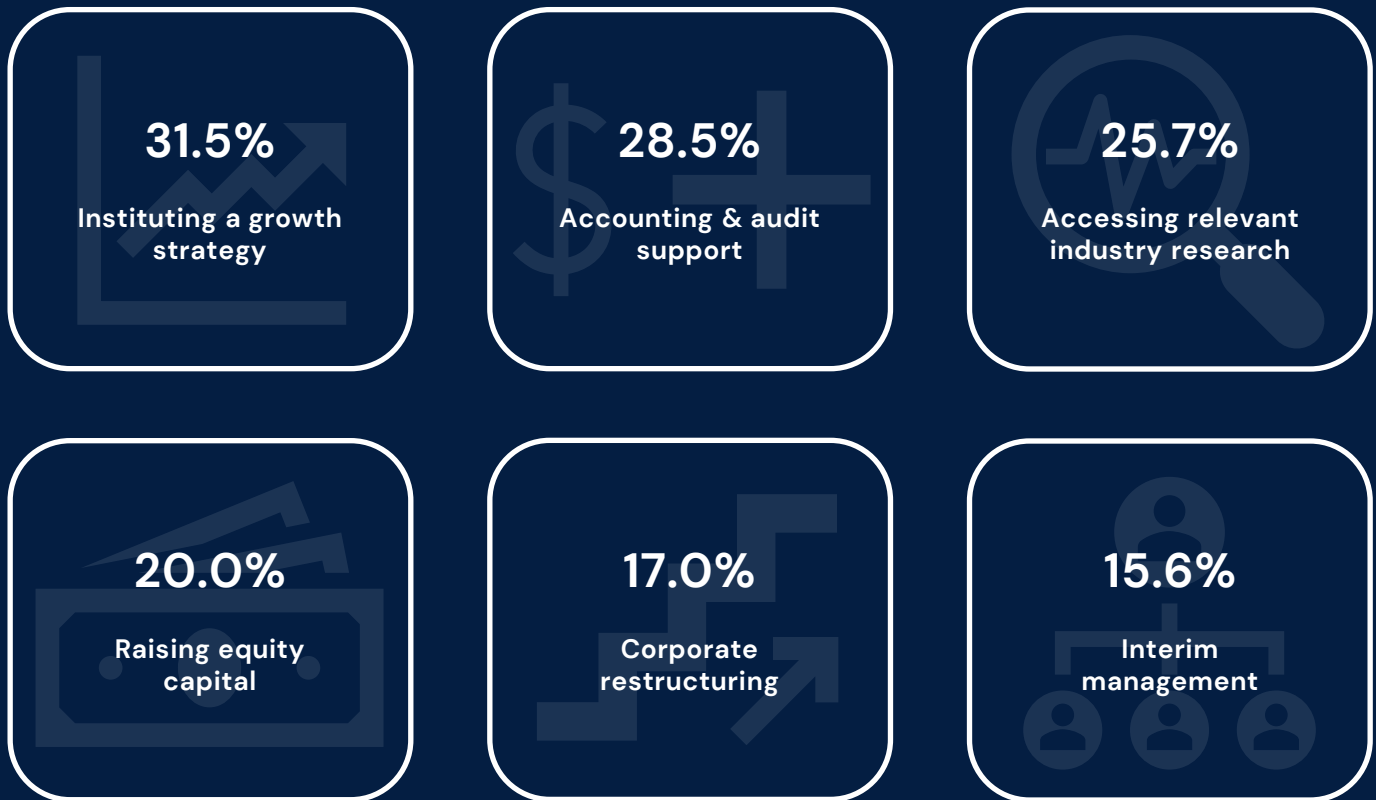
Note: Above transactions include those which were completed outside of the Capstone Partners platform

## CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

### Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?  
 Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435

## ENDNOTES

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# CAPSTONE PARTNERS

Common Goals. Uncommon Results.

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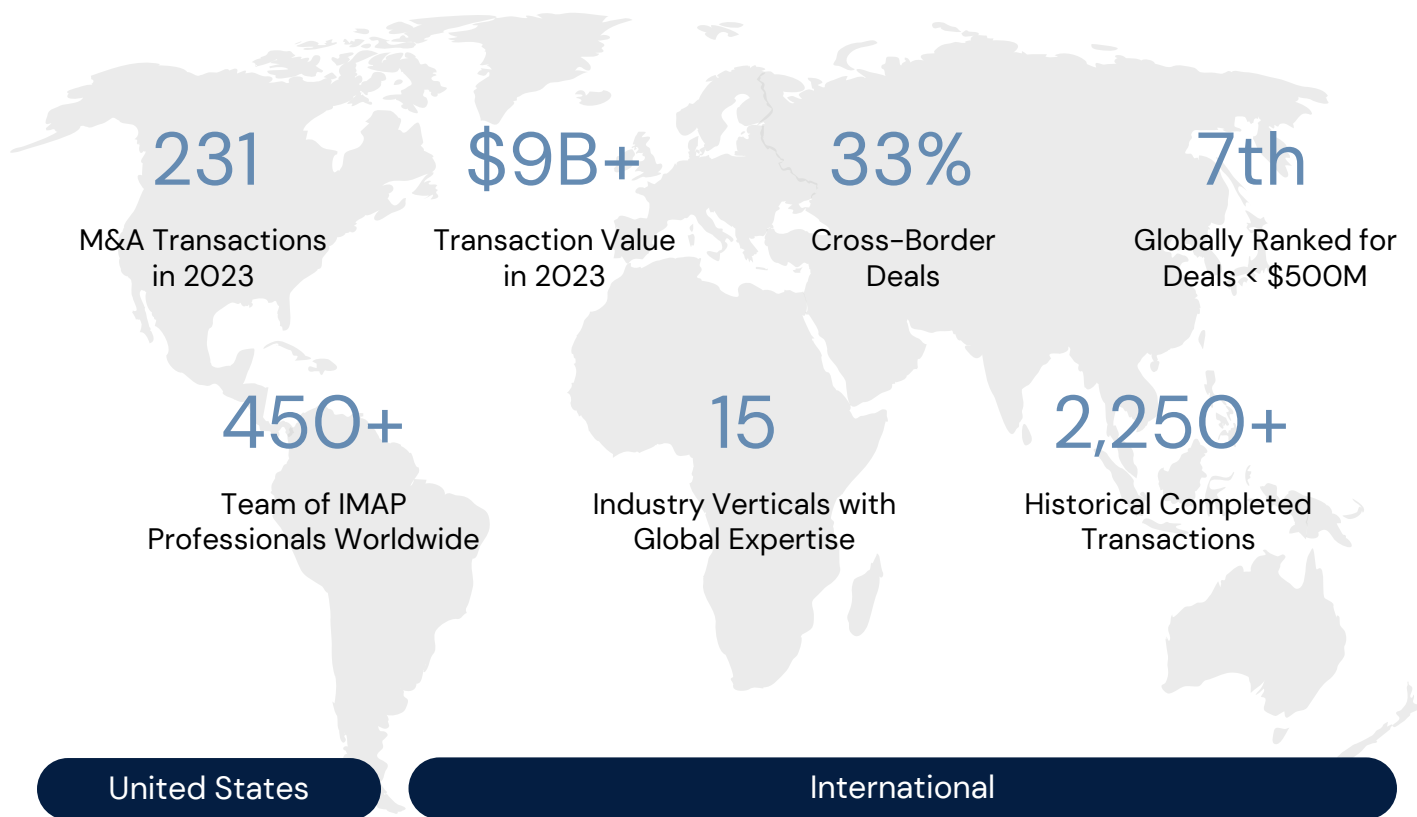




# CAPSTONE PARTNERS

## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



~200 professionals  
8 offices

Boston · Denver · Chicago · Dallas  
Detroit · Irvine · New York · Tampa

450+ professionals  
60+ offices in 41 countries

Asia: China · India · Japan · Thailand  
Africa: Congo · Egypt · Ghana · Mauritius · Morocco · Senegal · South Africa  
Americas: Toronto · Vancouver · Argentina · Brazil · Chile · Colombia · Mexico · Paraguay · Peru  
Europe: Belgium · Bosnia & Herzegovina · Croatia · Czech Republic · Finland · France · Germany  
Hungary · Ireland · Italy · Netherlands · Poland · Portugal · Romania · Serbia · Slovakia · Slovenia  
Spain · Sweden · United Kingdom