JAHANI & ASSOCIATES

J&A Capital Markets Report

Agriculture Processing Debt Capital Markets

February 2025

AUTHORS

JOSHUA JAHANI

Joshua Jahani is a managing director at Jahani and Associates. He is based in the New York City office. He leads the firm's global expansion and client service activities. He has been featured in over 20 publications such as the BBC, Newsweek, International Business Times, NBC, and more about investment banking and global trade. Joshua is a lecturer at Cornell University and New York University.

GENESIS RAMOS

Genesis Ramos is an associate at J&A. She supports the account management team and leads discovery sessions with potential clients about their objectives, transaction goals, and preliminary project analysis. She is Honduran by birth and has a legal background. She is based in the New York City office.

jahaniandassociates.com

Between Q1 2021 and Q4 2024, over $108 billion was deployed into the agriculture processing sector through debt financing across various global markets. This sector encompasses a diverse range of processing activities, from raw material transformation to advanced food manufacturing, requiring significant capital investment to optimize supply chains, improve production efficiencies, and support industry-wide technological advancements.

The agriculture processing industry has experienced sustained capital inflows, driven by a rising emphasis on food security, sustainability, and supply chain modernization. Companies in this sector have increasingly leveraged debt financing to support infrastructure upgrades, expand processing capacity, and invest in automation, commodity trading, export facilitation, product traceability, and innovative processing techniques. Strategic transactions have also included funding for acquisitions, enabling firms to consolidate market positions, develop integrated logistics solutions, and drive long-term value creation in key segments such as grains and pulses.

Debt financing has been a fundamental tool for growth in this sector, facilitating critical investments in operational scalability, cost efficiencies, and market expansion. Many agriculture processors have used leveraged financing to increase production resilience and mitigate risks associated with fluctuating commodity prices, contract farming, and global supply chain disruptions. Additionally, structured trade finance solutions have enabled firms to navigate currency fluctuations and optimize working capital cycles. This trend underscores the sector's ability to utilize non-dilutive capital solutions to maintain competitiveness while meeting the evolving demands of global agricultural markets.

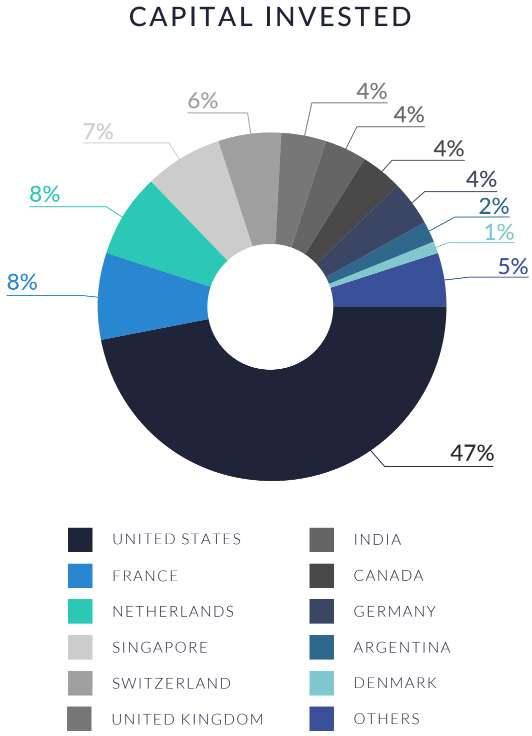
Capital Invested and Deal Count of Agriculture Processing Debt Capital Market (Q1 2021 – Q4 2024)

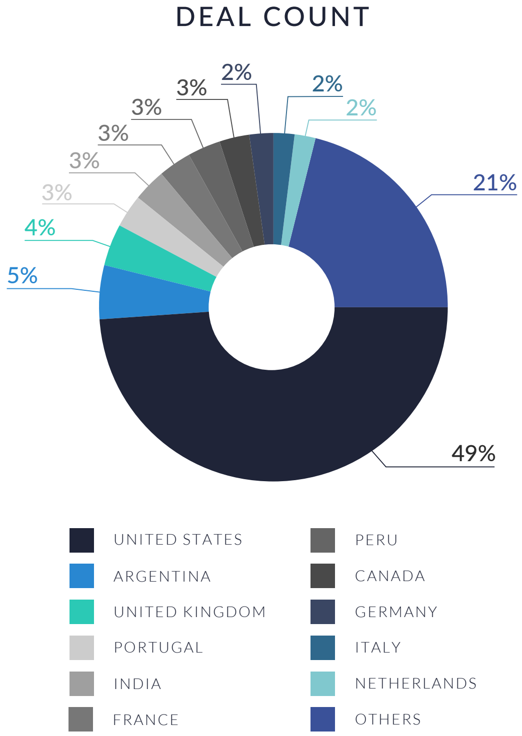
Source: PitchBook Data, Inc.

- Between Q1 2021 and Q4 2024, the agriculture processing debt capital market saw a total capital deployment of $107.9 billion across 652 transactions. The market demonstrated fluctuating investment activity, with peaks in certain quarters aligning with increased demand for financing in the sector.
- The highest capital investment occurred in Q2 2022, reaching $14.7 billion. This surge reflected a period of strong investor confidence in the agriculture processing sector, driven by expansion initiatives, supply chain optimization, and technological advancements.
- The highest deal count recorded was during Q3 2021 with 54 transactions. This spike indicates a highly active market phase, with lenders supporting a broader range of companies, including mid-sized processing firms and early-stage ventures innovating within the industry.
- Capital investment levels fluctuated over the observed period, reflecting shifting macroeconomic conditions, input cost volatility, and regulatory changes. Q1 2022 saw a notable decline in capital invested, with only $2.4 billion deployed, indicating a temporary slowdown in financing activity before a resurgence in subsequent quarters.
- Q1 2024 marked a downturn in both capital deployment and deal count, with only $4.188 billion invested across 40 transactions. This decline was likely influenced by broader economic pressures, cost inflation, and a recalibration of investor risk appetite.
- The latter part of the time frame, particularly Q4 2024, recorded a capital investment of $9.7 billion with 28 transactions. This suggests a shift towards fewer but larger-scale transactions, where lenders prioritized high-value opportunities in established agriculture processing businesses poised for regional or global expansion.

- Overall, the agriculture processing debt capital market showcased a pattern of dynamic investment cycles, with capital inflows aligning closely with industry needs, economic conditions, and strategic investor interests. The market's resilience, particularly in Q3 2022 and Q4 2024, underscores continued confidence in the sector's long-term growth potential.

Breakdown of Announced Agriculture Processing Debt Transactions Conducted by Country Invested In (Q1 2021 – Q4 2024)



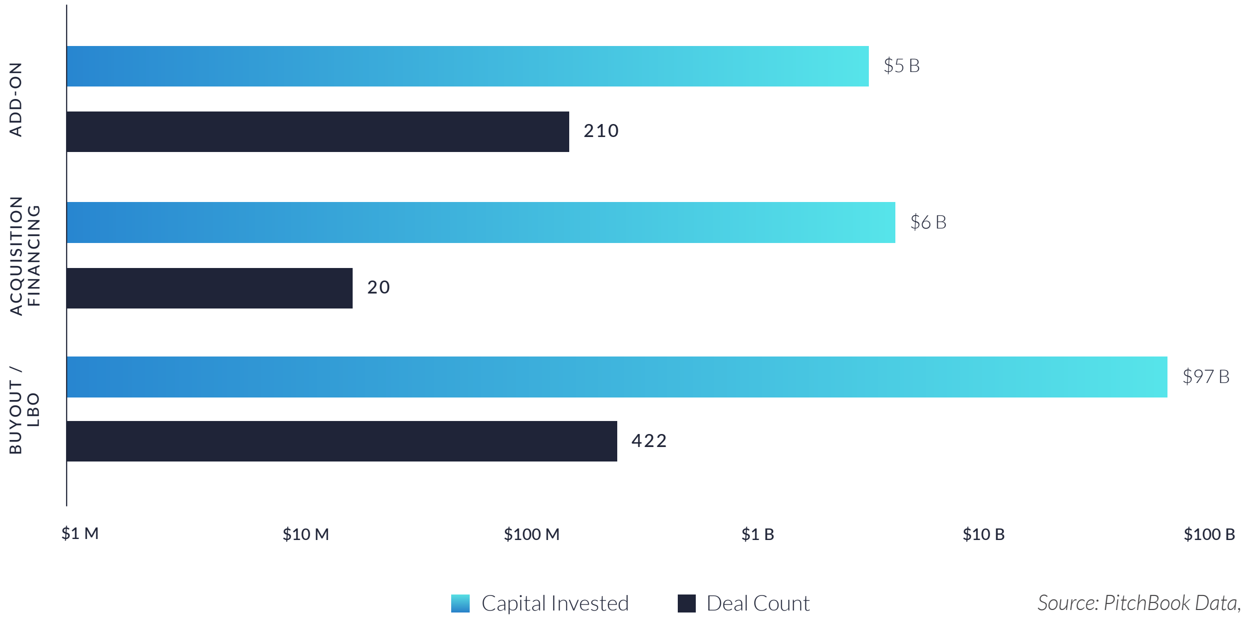


Source: PitchBook Data, Inc.

- The agriculture processing debt market saw significant capital deployment across multiple regions from Q1 2021 to Q4 2024, with the United States leading the investment landscape. The US accounted for 47% of total capital invested and 49% of total deals, highlighting its dominance in debt financing for agriculture processing firms. This reflects the country's strong financial infrastructure and the presence of large-scale agricultural enterprises seeking financing for expansion and modernization.
- The Netherlands and France each accounted for 8% of capital invested, underscoring their importance as key hubs for agricultural processing debt transactions in Europe. These countries have well-developed agribusiness sectors and strong export-oriented food processing industries, making them attractive destinations for lenders seeking stable investments.

- Singapore (7%) and Switzerland (6%) followed closely in capital investment, demonstrating a growing interest in financing high-value agricultural processing projects in these financial centers. These markets likely benefited from debt financing geared towards advanced processing technologies and supply chain efficiencies.
- The United Kingdom, India, Canada, and Germany each represented 4% of the total capital deployed. This suggests a balanced distribution of debt investment across key global markets with established agribusiness sectors. These countries maintain strong agricultural supply chains, making them consistent recipients of debt capital for processing infrastructure improvements and working capital needs.
- Argentina, Denmark, and a collection of other countries contributed smaller shares to total capital investment, collectively accounting for less than 10%. While their shares were lower, their participation in debt financing signals a broader global reach for agriculture processing investments, with a focus on emerging markets and niche processing industries.
- The distribution of deal count followed a similar pattern, with the United States leading at 49%, while other key markets such as Argentina (5%), the United Kingdom (4%), and Portugal (3%) maintained consistent transaction volumes. Despite a lower share of capital invested, these countries exhibited strong deal activity, indicating a high volume of mid-market and smaller-scale transactions.
- Countries such as Peru, Canada, France, and India each accounted for around 3% of total deals, emphasizing a diverse geographical spread of debt financing in the agriculture processing sector. The deal volume in these countries likely reflects debt support for mid-sized agribusiness firms looking to scale operations or improve processing efficiencies.
- The remaining 21% of deal count and 5% of capital invested fell into the "Other" category, highlighting a continued global diversification of debt transactions in the agriculture processing industry. This spread signifies the growing participation of lenders in non-traditional agricultural markets, where emerging economies are gradually securing financing for processing and supply chain infrastructure.

Breakdown of Announced Agriculture Processing Debt Transactions by Deal Type (Q1 2021 – Q4 2024)



Source: PitchBook Data, Inc.

- The agriculture processing debt market exhibited diverse financing structures between Q1 2021 and Q4 2024, with buyout/LBO transactions dominating both deal count and capital invested. A total of 422 buyout/LBO deals were recorded, representing the highest transaction volume. These deals attracted $97 billion in capital investment, reflecting investor confidence in strategic acquisitions and long-term growth in the sector.
- Add-on transactions accounted for 210 deals, with $5 billion in total capital deployed. This segment highlights a focus on bolt-on acquisitions, where companies leveraged debt financing to expand their market presence and increase operational capabilities within the agriculture processing space.
- Acquisition financing transactions, while the least frequent, totaled 20 deals but secured $6 billion in capital investment. This suggests that despite a lower number of deals, these transactions were structured for larger-scale financing, enabling firms to make transformative acquisitions in the sector.
- The buyout/LBO category's dominance shows a strong trend in leveraged buyouts within agriculture processing, with firms utilizing significant capital to fund large-scale acquisitions and ownership transitions.
- Despite fewer deals, acquisition financing transactions commanded relatively high capital allocations, indicating that lenders prioritized select, high-value opportunities over volume. This approach aligns with a broader industry trend of targeted capital deployment toward strategic growth initiatives.
- The overall debt financing landscape for agriculture processing between 2021 and 2024 showcased a mix of buyouts, expansions, and acquisition financing, reinforcing the sector's ongoing investment appeal and long-term strategic positioning.

DEAL SPOTLIGHT:

VITERRA

Viterra is a global agricultural company specializing in the sourcing, processing, storing, and distribution of grain, oilseeds, and pulses. It operates an extensive supply chain network, connecting farmers with consumers worldwide through its integrated logistics, storage, and processing infrastructure.

TRANSACTION TYPE	DEAL DATE
DEBT FACILITY	SEPTEMBER 23, 2022
TRANSACTION SIZE	**LENDER**
$5 BILLION	JPMORGAN CHASE

Viterra secured a $2.5 billion revolving credit line as part of its larger $5 billion debt financing. This facility was backed by multiple global financial institutions, including Bank of China, CoBank, Farm Credit Bank of Texas, Farm Credit Services of America, JPMorganChase, Mizuho Bank, Natixis Investment Managers, PNC, TD Bank Group, Truist, U.S. Bank, Wells Fargo, and Canadian Imperial Bank of Commerce. The transaction was finalized on September 28, 2022.

ACQUISITION STRATEGIC RATIONALE

The debt facility was raised to improve liquidity, support global supply chain operations, and fund strategic acquisitions. This financing enables Viterra to expand its agricultural distribution network, streamline logistics, and maintain a stable capital structure to withstand market fluctuations.

KEY CREDIT STRENGTHS

- Strong Market Position
- Scalable Business Model
- Diversified Financing Sources

TRANSACTION RATIONALES

- Strengthening Competitive Position
- Accelerated Market Entry
- Operational Consolidation

DEAL SPOTLIGHT:
BUNGE

Bunge is a global leader in agribusiness and food processing, specializing in oilseed crushing, grain trading, and food ingredient production. The company operates a vast network of grain storage facilities, processing plants, and logistics infrastructure, serving markets across North America, South America, Europe, and Asia. Bunge's vertically integrated operations enable it to efficiently process and distribute agricultural commodities worldwide.

TRANSACTION TYPE	DEAL DATE
DEBT FACILITY - ACQUISITION	SEPTEMBER 10, 2024
TRANSACTION SIZE	**LENDER**
$2 BILLION	UNDISCLOSED

ACQUISITION STRATEGIC RATIONALE

The debt financing was raised to fund a major acquisition, expand operational capacity, and enhance supply chain efficiencies. The acquisition aligns with Bunge's strategy of increasing market share in oilseed processing and agricultural commodity trading.

KEY CREDIT STRENGTHS

- Global Market Leadership
- Operational Scale & Efficiency
- Strong Financial Backing

TRANSACTION RATIONALES

- Increasing Market Share
- Supply Chain Integration
- Long-Term Growth Strategy

The agriculture processing debt capital market has demonstrated sustained growth, driven by increasing demand for supply chain efficiencies, infrastructure investments, and strategic acquisitions. Companies like Viterra and Bunge have leveraged debt facilities to expand operations, strengthen market positions, and improve global trade networks. As investors and lenders continue to explore opportunities in this sector, debt capital will remain a key driver of consolidation and technological advancements, ensuring long-term industry resilience and global food security.

Source: European Parliament, Pitchbook Data.

JAHANI & ASSOCIATES

Jahani and Associates (J&A) is a global investment bank headquartered in New York City. J&A has deep connections in the Middle East, Southeast Asia, Latin America, and North America. The firm provides investment banking advisory, investment banking transaction, and corporate development expertise to clients all over the world.

641 Lexington Ave 15th floor, New York, NY 10022
+1 (646) 851 0654 | +971 04 230 6084 | +65 6622 5421
info@jahaniandassociates.com | jahaniandassociates.com