



OCEANPARK

North American Agronomy M&A

2024 Review & Outlook

April 2025



Overview

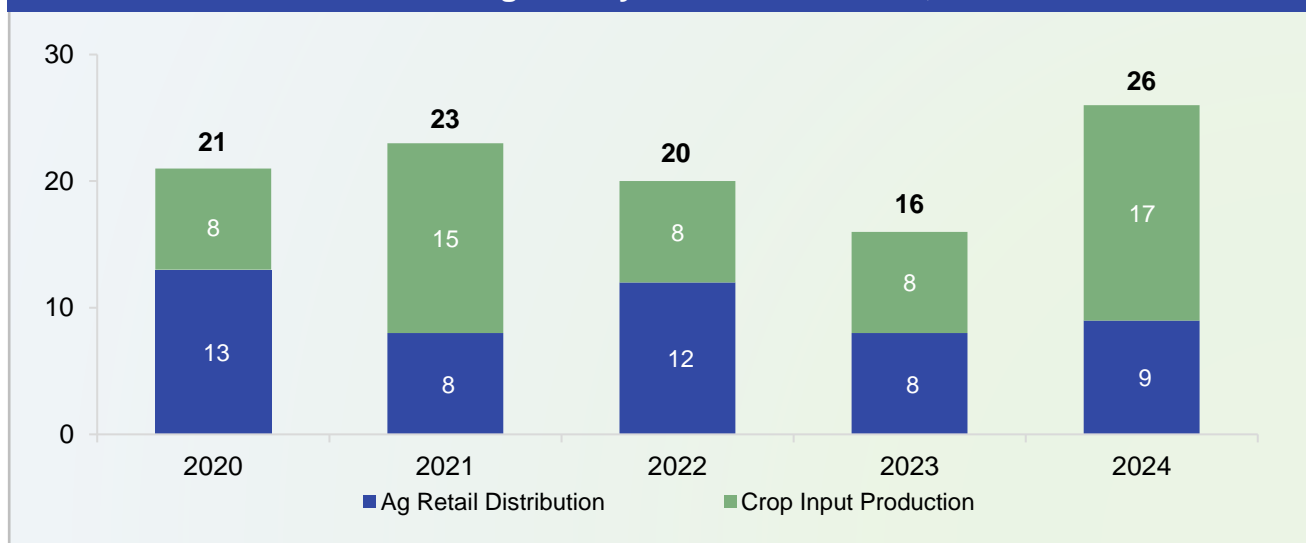
In this inaugural review of Agronomy Mergers and Acquisitions (M&A) in North America, we have tracked deals that involve the distribution and production of fertilizers, chemicals, seeds and other key crop inputs. To be sure, the market is sometimes opaque, because so many deals involve small, privately-held companies. The sector rarely discloses valuation or deal terms and even deals that we have advised on are not always included in the deal tables since neither party disclosed the transaction. Despite these challenges, our goal is to track as many deals as possible to look for trends and factors in dealmaking that are driving companies to either acquire or sell businesses. We will survey disclosed investments made by the larger crop input companies actively investing in smaller firms.



The ag retail distribution and crop input production sectors have faced mounting financial pressures over the past two years, driven by depressed commodity prices, tight margins, declining farm incomes, and rising operational costs. These challenges have led

companies to evaluate consolidation opportunities, resulting in steady reported M&A activity. In 2024, deal activity reached 26 reported transactions, versus 16 deals reported in 2023 and the highest in the past five years.

North American Agronomy M&A Transactions, 2020-2024



Source: Ocean Park analysis.

Note: Excludes minority ownership transactions.

Ag Retail Distribution M&A

North American ag retail companies have been consolidating for decades. CropLife America reports that retail outlets have declined by nearly 75% since 1984. Despite fewer outlets, sales have increased with the increased need for nutrients, crop protection and seeds. Consolidation at the farm level has driven consolidation of farm services including equipment and finance across rural America.

Farmers demand speed and cutting-edge technology, pushing ag retailers to keep pace.

At the retailer level, keeping up with farmers requires tough choices including reinvesting in assets and filling the need for higher-skill level employees. Meanwhile, regulatory, legal, tax, accounting, and IT complexities have made it more difficult for smaller independent retailers to compete.

However, consolidation is not a panacea. In excess, it burdens networks with outdated assets, depletes customer service, or loses local relationships and knowledge.

2024 was a busy year in ag retail with 9 M&A deals. A key theme was the increasing role of cooperatives across the deal landscape, notably:

- *8 of 9 transactions involved cooperatives as either the buyer or seller.*
- *3 transactions were cooperatives picking up independent, private companies with ag retail operations.*
- *A publicly-traded agribusiness company (The Andersons) purchased majority control of a farmer-owned cooperative which was unusual from typical cooperative-to-cooperative mergers.*
- *The largest farmer-owned cooperative (CHS) nearly lost its bid to acquire a regional co-op to a private company (The Arthur Companies). The structure of the deal also stood out since CHS ultimately acquired West Central with a revised cash bid instead of a non-cash merger.*
- *Many transactions involved retaining existing management teams, preserving the operational expertise that is in short supply.*
- *Most of these farmer-owned cooperatives have business operations that span beyond agronomy, offering grain, energy and other related services.*

Independent ag retailers that focus primarily on distributing agronomy products and services more acutely face agronomy-specific market dynamics. After a few years of rising prices and profits during and immediately following the pandemic, market conditions have steadied with increased gross margin pressure and inflation pushing up operating expenses, such as labor and insurance. Smaller, independent ag

retailers also might face the lack of a succession plan, difficulty in finding labor and uncertainty about technology investments. On the flipside, buyers of ag retailers are typically seeking geographic expansion, operational consolidation, broadened product portfolios, expansion into niche markets, local talent and customer relationships.

Ag Retail Distribution M&A (cont'd)

2024 North American M&A Transactions

Announced Date	Acquiring Company	Target Company	Target Description	Transaction Value (\$M)
January	Legacy Cooperative	Panhandle Coop / Farmers Cooperative Elevator	<ul style="list-style-type: none"> Merger of two Nebraska-based cooperatives offering grain, agronomy, feed, and energy. 	N/A
January	Ceres Solutions	Monticello Farm Service	<ul style="list-style-type: none"> Provider of fertilizer, crop protection, custom application, seed treatment, soil sampling, and GPS mapping services to farmers. 	N/A
February	McGregor	D&M Chem	<ul style="list-style-type: none"> Provider of tree fruit and specialty crop protection products in Washington. 	N/A
May	CHS	West Central Ag Services	<ul style="list-style-type: none"> Provider of agricultural products including crop protection, nutrients, insurance, seeds, and marketing. 	\$225
May	Gold-Eagle Cooperative	Farmers Cooperative Association	<ul style="list-style-type: none"> Provider of full-service agronomy, grain, energy, and feed services. 	N/A
June	The Andersons (ANDE)	Skyland Grain	<ul style="list-style-type: none"> Provider of agronomy services including farm supply, grain storage & processing, precision ag, and fuel. 	\$85 ⁽¹⁾
August	Landus	Wickman Chemical	<ul style="list-style-type: none"> Provider of agricultural chemicals serving farmers in Southwest Iowa and Kansas. 	N/A
September	Five Star Cooperative	A&K Feed and Grain Company	<ul style="list-style-type: none"> Provider of agricultural products including fertilizer, chemicals, seed, and grain marketing. 	N/A
October	Luckey Farmers	Mid-Wood Incorporated	<ul style="list-style-type: none"> Farm supply and grain marketing cooperative in Northwest Ohio. 	N/A

Source: Company information and Ocean Park analysis.

Note: Excludes minority ownership transactions.

(1) 65% ownership stake acquired.

 Independent Target Company  Cooperative Target Company

Transaction Details:

➤ Panhandle Cooperative and Farmers Cooperative Elevator (FCE) merged to form Legacy Cooperative.

Two Nebraska-based cooperatives, Panhandle and FCE, merged to form Legacy Cooperative. The combined entity will operate nine agronomy locations with eight in Nebraska and one in Wyoming, serving farmers across Nebraska, Wyoming, South Dakota, and Colorado.

➤ Ceres Solutions acquired Monticello Farm Service.

Indiana-based cooperative Ceres Solutions deepened its local footprint with the acquisition of independent ag retailer Monticello Farm Service who offers agronomy and grain services at two Indiana locations. The deal occurred while Ceres was finalizing its merger with Co-Alliance that formed Keystone Cooperative, a combined entity operating 89 agronomy locations serving farmers in Indiana, Ohio, Michigan and Illinois, with over \$3B in annual sales.

Ag Retail Distribution M&A (cont'd)

➤ **The McGregor Company acquired D&M Chem.**

McGregor, the largest family-owned independent ag retailer in the Pacific Northwest, expanded its footprint with the acquisition of D&M Chem, an independent ag retailer who specializes in permanent tree fruit and specialty crops across central Washington. The deal strengthens McGregor's irrigated footprint and adds D&M Chem's patented products to its portfolio.

➤ **CHS acquired West Central Ag Services for \$225M.**

CHS, the nation's largest farmer-owned cooperative, expanded its footprint by acquiring West Central Ag Services, a cooperative based in Ulen, Minnesota that provides grain and agronomy services to more than 3,000 members. The deal includes 14 locations in west central Minnesota. The acquired business will operate as CHS West Central.

➤ **Gold-Eagle Cooperative and Farmers Cooperative Association (FCA) Merged.**

Two Iowa-based cooperatives, Gold-Eagle and FCA merged in July. The merger combines FCA's assets with Gold-Eagle's operations in agronomy, grain, energy, feed, and a partnership with the CORN, LP ethanol plant in north-central Iowa. The combined entity, operating under Gold-Eagle, has over 200 employees across 30 locations in Iowa and Minnesota after integrating FCA's two locations and 30 employees.

➤ **The Andersons (ANDE) acquired a 65% ownership stake in Skyland Grain for \$85M.**

ANDE, a publicly-traded global diversified agribusiness with revenues of more than \$10B headquartered in Maumee, Ohio, acquired a majority stake in Skyland Grain, a farmer-owned cooperative serving more than 7,000 members headquartered in Ulysses, Kansas. Skyland Grain operates 72 locations with over 400 employees across a full-service agronomy division and has more than 50 grain storage and handling facilities in Kansas, Oklahoma, Colorado, and Texas. Skyland Grain also holds a majority interest in Heartland Soil Services, a precision agronomy company. The acquisition strengthens ANDE's Central US presence and approximately doubles the size of its ag retail business.

➤ **Landus acquired Wickman Chemical.**

Landus, Iowa's largest cooperative with revenues of over \$2B and operations in agronomy, grain, and soybean processing across more than 60 locations, expanded its chemical portfolio with the acquisition of Wickman Chemical, an independent supplier with two locations in Iowa and Kansas. Wickman provides both branded and generic products across a portfolio of herbicides, adjuvants, fungicides, and insecticides.

➤ **Five Star Cooperative bought A&K Feed and Grain Company.**

New Hampton, Iowa-based Five Star acquired A&K Feed & Grain, an independent agricultural retailer in Iowa. The acquisition strengthens Five Star's presence in North Iowa and Southern Minnesota, adding A&K's agronomy and grain assets from its sole location in Lime Springs to Five Star's existing 19 locations.

➤ **Luckey Farmers bought Mid-Wood Incorporated.**

Luckey Farmers, a farm supply and grain marketing cooperative, merged with Mid-Wood in a regional consolidation that adds Mid-Wood's eight locations to Luckey's 11 across northwest Ohio and southeast Michigan. The merger will combine the agronomy, grain, energy, and feed divisions of both cooperatives.

Crop Input Production M&A

Crop input production M&A also had an active year in 2024 with 17 transactions. Companies acquired assets to integrate vertically and expand into the promising biologicals market. Notably, 6 of the 17 deals were divestments of non-core assets by larger players: AgBiome,

Corteva, HyTech Productions, Southern States Co-op, Suncor Energy and Syngenta. There were also numerous transactions in the seed sector, which are highlighted in the Seed Spotlight.

2024 North American M&A Transactions

Announced Date	Acquiring Company	Target Company	Target Description	Transaction Value (\$M)
January	UPL Corporation	Corteva's Solo Mancozeb Global Fungicide Business	<ul style="list-style-type: none"> Global fungicide business includes products, trademarks, and other intellectual property. 	N/A
January	NativeSeed Group	Star Seed	<ul style="list-style-type: none"> Wholesale supplier of 300+ varieties of seeds including cover crops and forage seeds. 	N/A
March	Millborn Seeds	Union Forage	<ul style="list-style-type: none"> Provider of forage, cover crop, conservation, and food plot seeds in Canada. 	N/A
March	Millborn Seeds	Luhrs Certified Seed	<ul style="list-style-type: none"> Provider of seed solutions, including a seed production and processing facility servicing farmers in Nebraska. 	N/A
March	Certis USA	AgBiome's Howler and Theia Fungicides	<ul style="list-style-type: none"> Proprietary biological fungicides used on specialty crops. 	N/A
March	AgroFresh Solutions	Pace International	<ul style="list-style-type: none"> Developer of fungicides, coatings, and treatments for fresh produce. 	N/A
April	Custom Agronomics	BioTek Ag	<ul style="list-style-type: none"> Producer of plant growth regulators and solutions to improve soil biology for crop inputs. 	N/A
April	Valudor Products	LidoChem	<ul style="list-style-type: none"> Developer of specialty fertilizers and distributor of chemical raw materials. 	N/A
June	Growmark	AgraForm	<ul style="list-style-type: none"> Manufacturer of pesticides, fungicides, and agrichemicals. 	N/A
June	Nutrien	Suncor Energy's AgroScience Assets	<ul style="list-style-type: none"> Biocontrol technology assets using chlorin-based photosensitizers for crop protection. 	N/A
July	NativeSeed Group	Arrow Seed	<ul style="list-style-type: none"> Provider of a variety of bulk and bagged seeds, and seed treatments in Nebraska. 	N/A
September	Kentucky Fertilizer	Southern States Co-Op's Fertilizer Facility	<ul style="list-style-type: none"> Fertilizer production facility for agriculture and turf industries located in Kentucky. 	N/A
September	HBM Holdings Company	Calcium Products	<ul style="list-style-type: none"> Producer and marketer of pelletized lime and gypsum products for farmers. 	N/A
October	Bayer CropScience	HyTech Productions' Canola Seed Facility	<ul style="list-style-type: none"> Canola seed treating and packaging facility in Alberta, Canada. 	N/A
October	Millborn Seeds	Kaste Seed	<ul style="list-style-type: none"> Grower and marketer of native grass, and wildflower seeds in Minnesota. 	N/A
November	Tessenderlo Kerley	Tiger-Sul Products	<ul style="list-style-type: none"> Manufacturer of sulfur-based fertilizers and micronutrient-enhanced crop performance products. 	N/A
December	Gowan SeedTech	Syngenta's FarMore Seed Treatment Technology Platform	<ul style="list-style-type: none"> On-seed crop protection application system tailored for vegetable crops. 	N/A

Source: Company information and Ocean Park analysis.

Note: Excludes minority ownership transactions.

 Divestments

SPOTLIGHT: 2024 Seed Sector Transactions

Millborn Seeds and The NativeSeed Group were busy consolidating the seed sector.

➤ The NativeSeed Group acquired Star Seed.

NativeSeed, a portfolio company of Heartwood Partners, a Connecticut-based private equity firm and provider of seed products, acquired Kansas-based Star Seed. The acquisition adds Star Seed's farm and conservation seeds to NativeSeed's portfolio of 12 seed brands across 16 locations in 12 states.

➤ Millborn Seeds acquired Union Forage.

Millborn Seeds, a provider of forage, cover crop, conservation and food plots seeds, acquired Alberta-based Union Forage. Millborn will integrate Union Forage's seed products with its existing offerings, operating under Millborn's Renovo Seed. Millborn operates two seed brands across six locations in South Dakota, Nebraska, Minnesota and Canada, selling 150M+ pounds of seed annually.

➤ Millborn Seed acquired Luhrs Certified Seed.

Millborn Seeds made a second purchase in 2024, acquiring Nebraska-based Luhrs Certified Seed. Luhrs' seed processing facility and seed solutions enhance Millborn's offerings and distribution network in the Western Plains.

➤ The NativeSeed Group acquired Arrow Seed.

NativeSeed made a second purchase in 2024, acquiring Arrow Seed, a Nebraska-based producer and supplier of various seeds. This acquisition further expands NativeSeed's presence in the Midwest and enhances its product offerings with more warm-season seed varieties. The purchase marks NativeSeed's second acquisition since Heartwood Partners bought NativeSeed in April 2022.

➤ Millborn Seeds acquired Kaste Seed.

Millborn Seeds made a third purchase in 2024, acquiring Minnesota-based Kaste Seed, which specializes in native grass and wildflower seeds. The acquisition strengthens Millborn's seed supply chain and brings its offerings to over 1,200 seed varieties. The purchase complements Millborn's recent expansion into Canada by adding another nearby location. Kaste Seed will operate under the Millborn name.

Crop Input Investments by the Major Publicly-Traded Companies

The leading publicly-traded crop input companies did not make major acquisitions in 2024. However, they did provide capital to new technology companies. Corteva and Bayer both participated in the \$40 million Series C funding round for Pairwise Plants, a gene-editing crop company utilizing CRISPR technology in food and

agriculture. Corteva led the round with \$25M. FMC invested in AgroSpheres' \$37 million Series B round to support its bioengineered pesticide delivery technology. These investments highlight how the major crop protection companies are leveraging venture investing to supplement their own R&D.

2024 North American Crop Input Public Company Investment Deals

Announced Date	Investing Company	Target Company	Investment Summary	Investment Amount (\$M)
September	Corteva	Pairwise Plants	<ul style="list-style-type: none"> Corteva invested in gene-editing company, Pairwise, and formed a joint venture to accelerate the development of gene-edited crops with enhanced yield, resilience to climate change, and improved nutritional profiles for food, fuel, and fiber production. 	\$25M
September	Bayer	Pairwise Plants	<ul style="list-style-type: none"> Already an existing investor, Bayer participated in the \$40M Series C funding round. 	Unknown
September	FMC	AgroSpheres	<ul style="list-style-type: none"> Already an existing investor, FMC participated in the \$37M Series B funding round to support the development and commercialization of AgroSpheres' bioengineered pesticide delivery technology, which enhances crop protection. 	Unknown

Source: Company information and Ocean Park analysis.

2025 Agronomy Outlook

In 2025, the agronomy market could be increasingly impacted for ag retailers by "see-and-spray" systems and biologicals, a threat to sales volumes of crop protection and crop nutrient products. Ag retailer profits are now under pressure again after expanding thanks to price surges in 2021 and 2022. Additionally, rising labor costs, workforce shortages, and patent expirations could present further challenges to ag retailers' margins, forcing them to seek other avenues of profitability and expansion, whether organically or inorganically through M&A. The seed and biological segments are also likely to continue consolidating as smaller companies struggle to compete and survive independently. Financial pressures, labor challenges and uncertainty in technology investments could spur additional M&A across the sector in 2025.

These agronomy-specific factors will play out in the bigger picture of uncertainty in the economic and political environment that has emerged in early 2025. Trump Administration tariffs could destroy export markets and boost prices for fertilizers and crop protection products. This kind of volatility and uncertainty has typically dampened farmer spending and ag lending. One thing is certain in 2025, the end of the year is unlikely to look like the beginning as economic and policy norms disappear and something different will take their place.



About Farrell Growth Group

Farrell Growth Group is a leading retail agronomy consulting firm with over 25 years of experience. FGG's members represent over \$5 billion in combined agronomy revenue and serve growers in 38 states as well as Canada. The firm has a strong track record in ag retail M&A, having worked on over 45 transactions. www.farrellgrowth.com

About Ocean Park

Ocean Park is a leading boutique investment bank focused on industry segments across the agricultural supply chain including the ag inputs, ag retail, renewable fuels and chemicals, energy, food, and AgTech sectors. The Ocean Park team has significant operational and transaction experience, including advising on mergers and acquisitions, financing and restructurings. Since its founding in 2004, Ocean Park has successfully completed over 80 transactions and client engagements, including over 38 biofuels transactions. Its office is in Minneapolis, MN. www.oceanpk.com