



Global Agribusiness Leaders

Strategic Developments Newsletter #5
APRIL-JUNE 2022

By CROPFIELD CONSULTING LIMITED ®

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[CROPFIELD CONSULTING LIMITED](#)





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Scope

- With this FIFTHQuarterly Newlsetter Cropfield® Consulting continues to monitor the Strategic Developments of the largest Agribusiness Players, the so called ABCD and the others, like Wilmar, Olam, Viterra, EDF Man, CHS, that connect farmers with food companies, retailers and consumer and are responsible for the vast majority of the agribusiness commodities international trade. We provide insights on how they are shaping the Agribusiness world and the Agri & Food value chain.
- Cropfield® Consulting is also publishing two additional separately quarterly letters: one concerning the Financial Results and Stock performance of the Agribusiness Trading Companies and another one concerning the evolving landscape of the Agtech Companies that are entering the publicly listed markets. Please visit our website www.cropfieldconsulting.com to see /request them



Strategic Developments in the industry



- The table below highlights the Agribusiness industry leaders Key Developments in Q2 2022. The numbers refer to the events illustrated later in the document, classified by type of strategic action

April-June 2022					
Strategic Developments	ADM	BUNGE	CARGILL	CHS	OLAM
Acquisitions	2, Philippines		10, Austria		14, Canada
Joint Ventures/Partnerships	4, India	6, US	11, France		13, Singapore
CAPEX	1, US - Illinois 3, US - Minnesota		7, US, Minnesota 8, US, Missouri 9, Belgium	11, US, Minnesota	
Other initiatives	5, Global - Microbiome Market outlook				



Q2 2022 Key AG Strategic Developments



- **From a Strategic Development perspective, these are April / June 2022 highlights:**
 - Capex announcements in this quarter have been more important than acquisitions or partnerships
 - Most relevant Capex announcements have been in the US, showing that is the area with a combination of existing capacity tight utilization and stronger demand. And this thanks, *inter alia*, to strong biofuel mandates driving the price of oils and creating meal export opportunities as well as by the strong alternative proteins demand
 - Most important Capex announcements have certainly been
 - the \$ 300 M ADM investment in alternative proteins production in Illinois [Development 1],
 - The \$ 150 M Cargill investment in a new biodiesel state of the art facility in Belgium [Development 9]
 - The \$50 M Cargill Global Animal Nutrition Innovation Center in Minnesota [Development 7]
 - The Cargill New Soybean Processing Facility in Missouri (over 1 Million tons capacity) [Development 8]
 - The ADM Starch plant expansion in Minnesota [Development 3]
 - As far as Acquisitions, the landscape remained relatively quiet after the fireworks of Q1 with Salic entering Olam Agri and Viterra acquiring Gavilon, nevertheless the acquisition of the Canadian Club Coffee, one of Canada's largest roasters of packaged coffee by Olam Food Ingredients is certainly noticeable
 - As far as Partnerships, they spun along the full value chain: from new crop varieties (Bunge & CoverCress Inc on pennycress) to crop protection (ADM & Bayer), to a new tech platform to manage and reduce carbon emissions (Olam & Terrascope) to insect based precision feed ingredients (Cargill & Innovafeed).





ADM Developments (1/4)



ADM to Meet Fast-Growing Demand For Alternative Proteins with Significant Capacity Expansion, New Innovation Center

4/12/2022 - ADM announced today that it will invest approximately \$300 million to significantly expand its Decatur, Illinois, alternative protein production, as the company continues to add capacity to meet strong demand growth. ADM will further enhance its alternative protein capabilities by opening a new, state-of-the-art Protein Innovation Center, also in Decatur.

The **production increase** represents a significant expansion of ADM's alternative protein capabilities. The project – which is expected to be completed in the first quarter of 2025, subject to all applicable approvals and permits – will significantly strengthen ADM's ability to meet growing global demand by increasing soy protein concentrate capacity and nearly doubling extrusion capacity at ADM's Decatur complex. The **Protein Innovation Center** will further expand ADM's cutting edge Decatur-based innovation complex, joining the company's Food Application Center and Animal Nutrition Technology Center and enhancing the company's ability to work closely with customers to develop custom solutions to meet their needs. The new Decatur Innovation Center will bring together labs, test kitchens, and pilot-scale production capabilities to power new innovation, from novel and diversified ingredients, to more sustainable and efficient processing, to unique and differentiated texture, taste, appearance and nutrition solutions. [Development 1](#)

ADM Expands Philippines Animal Nutrition Footprint with Feed Mill Acquisition in Southern Mindanao

5/6/2022 - CEBU CITY, PHILIPPINES — ADM announced today the acquisition of a feed mill in Polomolok, South Cotabato, from South Sunrays Milling Corporation. The addition is a step forward in providing a wide range of leading-edge products to meet Asia's demand for innovative and high-quality products in the animal nutrition market. The South Cotabato mill, along with existing ADM feed production facilities in Cebu and Bulacan, support customer growth in the region with a wide range of leading-edge pet food, complete feed, aquaculture and premix solutions. Further, the investment will support economic development through the creation of more than 100 new jobs in the region. [Development 2](#)





ADM Developments (2/4)



ADM Continues Evolution of Carbohydrate Solutions Business with Significant Expansion of Starch Production in Marshall, Minnesota

5/12/2022

CHICAGO-- ADM today announced it will invest to significantly expand starch production at its Marshall, Minnesota, facility in order to meet fast-growing demand from the food and beverage sectors, and to support the continued expansion of the company's BioSolutions platform. Three years ago ADM announced that they would be phasing out production of high-fructose corn syrup at Marshall and expanding starch production to support increasing demand for products like sustainable packaging. In the short time since then, demand has continued to expand, both for food and beverage customers as well as for the broad array of plant-based products that make up ADM fast-growing BioSolutions platform. ADM's BioSolutions platform meets demand for more sustainable products and solutions across a wide variety of applications, from construction to packaging to personal care. BioSolutions delivered \$100 million in new annualized revenue in 2021, and has continued swift expansion, with \$55 million in new sales growth in 2022. The Marshall project is expected to be complete in the second half of 2023.

([Development 3](#))





ADM Developments (3/4)



Bayer and ADM partner to build and implement a Sustainable Crop Protection Model for Soybean Farmers in India

6/23/2022

- The model aims to benefit 25,000 soybean farmers in the Latur, Osmanabad & Beed districts of Maharashtra in the first year
- Bayer will provide regular training to the ADM cluster agronomist team in Soybean markets on complete crop cultivation practices such as nutrition & pesticide schedules, BayG.A.P and Proterra principle training
- Bayer will also develop a crop protection package for all crops of soybean & pulses by providing legally permitted, non-hazardous crop protection chemicals as allowed under Sustainable crop production principles ([Development 4](#))





ADM Developments (4/4)



ADM Releases Top Predictions for Global Microbiome Market

6/29/2022 CHICAGO-- ADM a global leader in nutrition that powers many of the world's top food, beverage, health and wellness brands, today released its outlook on the global human microbiome market, which is expected to balloon to nearly \$9.1 billion by 2026. ¹

The findings, based on research from ADM's proprietary Outside VoiceSM consumer insights platform, highlight the consumer trends shaping the fast-growing market for solutions that include prebiotics, probiotics, and increasingly, postbiotics.

Made up of trillions of unique microorganisms, the human gut microbiome's link to wellness is increasingly understood by consumers. Nutrition is one of the most effective tools at our disposal in supporting healthy microbiome function. ADM's research is bringing new discoveries and insights to the fore – demonstrating the potential positive impacts of dietary microbiome support on aspects of health and well-being.

The top five trends shaping the sector this year include:

- Growing consumer awareness of the gut-brain connection and the link between microbiome function with mood and cognition
- Personalized nutrition solutions designed to support everyday performance for Olympians and Weekend Warriors alike
- Consumers are using test-kits to benchmark the make-up of their microbiome as the personalized nutrition phenomenon gains hold
- Demystification of probiotics and the skin microbiome

Consumer interest in immune health will be a top priority today and in the future ([Development 5](#))





Bunge Developments



Bunge and CoverCress Inc. Announce Commercial Partnership to Meet Growing Demand for Renewable Fuel Feedstocks

04/26/22 ST. LOUIS-- Bunge and CoverCress Inc. ("CCI") announced today a unique commercial partnership to bring a new renewable oilseed and animal feed crop to market. The agreement establishes a long-term commercial relationship between the two companies and supports the expansion of CCI's CoverCress™ technology, a new winter oilseed crop that is ideal as a lower carbon intensity feedstock to help meet the growing demand for renewable fuels.

Through sophisticated breeding and gene editing, CCI has converted field pennycress, a winter annual weed, into the CoverCress crop that fits into existing corn and soybean rotations. Adding a new, marketable crop into rotation on existing land during winter can provide farmers with additional revenue while also offering the ecosystem benefits of a cover crop; the CoverCress crop provides cover, decreases nitrogen losses, and improves overall soil health.

Bunge Ventures, the for-profit, global investment arm of Bunge, led a Series B-1 financing round in CCI in April 2021 and recently increased its stake in CCI through a Series C-1 round. Complementing the commercial agreement between Bunge and CCI, Chevron U.S.A. Inc., a subsidiary of Chevron Corporation (NYSE: CVX), also acquired an ownership stake in CCI through the Series C-1 financing round. Bunge and Chevron have announced a joint venture that will produce feedstock to supply the rapidly growing renewable fuel industry.

Under the commercial partnership between CCI and Bunge, CCI will supply CoverCress grain produced under contract with farmers to Bunge for processing. The strategic partnerships among Chevron, Bunge and CCI create a dedicated farm-to-fuel supply chain for the low carbon intensity oil feedstock produced from CoverCress grain. ([Development 6](#))





Cargill Developments (1/5)



Cargill to expand nutrient research and development capabilities of its Global Animal Nutrition Innovation Center to serve agriculture and food industry customers

MINNEAPOLIS, April 21, 2022 -- Cargill is expanding and renovating its Global Animal Nutrition Innovation Center in Elk River, located just 30 minutes from its global headquarters. Along with a facility in Velddriel, The Netherlands and the soon to be operating Changrong R&D center in China, the Elk River site serves as a hub of the company's global network of 15 animal nutrition research and technology application centers. These sites work around the clock to explore, innovate, and think ahead of customers' challenges in navigating today's complex and ever-changing environment.

The nearly \$50 million investment will upgrade animal facilities including a new dairy innovation unit, construct a larger onsite feed mill, create a visitor's space, and build a state-of-the-art laboratory for nutrient research and development. Designed to serve dairy, poultry, swine and aqua nutrition customers and the testing needs of other Cargill businesses, the Global Innovation Center hosts more than 2,000 visitors a year. In addition, new viewing corridors will allow visitors to view the animal R&D facilities conveniently ([Development 7](#))





Cargill Developments (2/5)



Cargill to build new soybean processing facility in Southeast Missouri

MINNEAPOLIS (May 17, 2022) - Cargill has unveiled plans to build a new soybean processing facility located in Pemiscot County, Mo. near Hayti and Caruthersville to support growing domestic and global demand for oilseeds driven by food, feed and fuel markets. The facility will be the first of its kind for Southeast Missouri with an annual production capacity of 62 million bushels of soybeans. Cargill anticipates breaking ground on the project early next year with plans to be operational in 2026. The new facility will add approximately 45 full-time positions to the region when complete.

The new location expands Cargill's efforts to modernize and increase capacity across its North American oilseeds network. Last year, Cargill announced a series of projects across North America including significant improvements to its soybean crush facility in Sidney, Ohio and construction of a new canola processing facility in Regina, Sask.

Cargill has had a presence in Missouri since 1936 and currently operates across 11 locations in the state and employees nearly 1,200 people ([Development 8](#))





Cargill Developments (3/5)



Cargill supports customers' decarbonization journey with new advanced biodiesel plant

GHENT, Belgium (June 15, 2022) — In a move aimed at reducing greenhouse gas emissions and promoting circular fuel possibilities, Cargill has completed its first state-of-the-art advanced biodiesel plant in Ghent, Belgium which converts waste oils and residues into renewable fuel. The advanced biodiesel produced at the facility will be used by the maritime and trucking sectors, enabling customers to lower the carbon footprint associated with their maritime and road transport activities.

The groundbreaking project is the one of the largest waste-to-biofuel facility in Europe and Cargill's first, employing industry-leading technology to convert all types of liquid waste oils and fats, including used cooking oils, tallow and residues from edible oil production, into advanced biodiesel. In doing so, Cargill supports the circular economy, giving new purpose to products that previously were disposed of, or relegated to low-value applications.

Cargill's \$150 million investment in the existing oilseeds crush and biodiesel Ghent plant marks the company's first foray into advanced biodiesel production. Using only waste oils and residues as raw materials, the new facility will produce up to 115,000 metric tons per year and add 20 new direct jobs and an additional 60 indirect jobs to the local community ([Development 9](#))





Cargill Developments (4/5)



Cargill, Delacon to join together to create a leading plant-based phytogetic feed additives business for healthier animal nutrition

MINNEAPOLIS, ENGERWITZDORF, AUSTRIA (June 23, 2022) – Consumer preferences for natural food production and consumption of animal-based products are growing. Plant-based feed additives have particularly high growth potential as a component of healthy animal feed. To support feed customers in this growing space, the world's leading agribusiness company Cargill today announced it has signed a binding agreement to acquire Delacon, the globally leading expert in plant-based phytogetic additives.

The acquisition combines Cargill's global network and deep expertise in animal nutrition technologies with Delacon's pioneering knowledge and market experience in phytogetic feed additives, a category that uses a broad range of herbs, plants and their extracts, such as essential oils, to improve livestock and aquaculture performance and promote animal health.

Specific combinations of bioactives have proven efficacy and sustainability. They can have a positive effect on nutrient digestibility, performance, support resilience, and at the same time contribute to the mitigation of greenhouse gas emissions from livestock. In addition, Delacon operates one of the largest industry-owned trial sites for phytogetic research.

The acquisition is expected to close mid-2022, subject to customary closing conditions. The terms of the deal are not disclosed ([Development 10](#))





Cargill Developments (5/5)

Innovafeed and Cargill extend their partnership to bring healthy novel ingredients to aquafarmers

PARIS, MINNEAPOLIS – June 30, 2022 – The aquaculture industry is focused on its role in ocean stewardship and addressing the sustainability of food systems. Cargill and Innovafeed are committed to actions that identify and grow planet-friendly ingredients, find new ways to reuse by-products and develop fish nutrition that promotes and enhances the health of farmed fish.

The agreement combines Innovafeed's expertise in formulating precision insect ingredients and Cargill's global animal nutrition capabilities to scale up the use of insect ingredients in multiple types of animal feed. Under this new contract, Cargill will benefit from high-performance and sustainable ingredients for salmonids. Insect-based feed has become a competitive alternative to other sources of protein at all levels, including nutrition, production, and sustainability.

Together, Cargill and Innovafeed maximize the use of resources to create a high-quality feed with much less waste. Co-products of the agriculture industry are used to feed black soldier fly larvae. Once the larvae reach a certain stage, protein and oil are extracted from the larvae, which can be used in Cargill's feed for aquaculture species, and young animals such as chicks and piglets.

Innovafeed is transforming the feed industry and broadening the basket of performant and sustainable ingredients available to the aquafeed formulators disclosed ([Development 11](#))





CHS Developments



CHS to build state-of-the-art grain facility in Erskine, Minnesota

Jun 14, 2022 - CHS will begin construction this summer on a new state-of-the-art grain facility with 1.25 million bushels of additional storage capacity in Erskine, Minn. The facility is slated to be operational in the fall of 2023 and will help CHS expand operational capabilities and increase efficiency across its footprint. The new shuttle elevator will bring total capacity at the location to 4.55 million bushels of storage and will complement existing CHS grain, agronomy and energy assets and offerings for area producers.

The new terminal is the latest in a series of investments throughout Minnesota and North Dakota by CHS. In keeping with its core value of safety, the company has placed priority on safety features and advancements to improve operating conditions.

“Along with expanding our grain handling capabilities and value to area farmers, the new facility will create advantages for our employees, farmers and community.

“Improved traffic flows, better operating conditions, advanced equipment and the latest safety advances are just some of the innovations to help us provide a better customer experience. We want to get producers in, out and back to the field as quickly and safely as possible.”

Vigen Construction out of East Grand Forks, Minn., is overseeing this construction project ([Development 12](#))





Olam Developments (1/2)



Olam launches climate-tech venture Terrascope to enable enterprises to achieve their Net Zero ambitions

9th Jun, 2022

- Terrascope's smart carbon management platform offers GHG measurements which are on average five times faster and show 25% improvement in data confidence
- Commercial trials across four industry sectors and 15 countries measured over 230 million metric tonnes of GHG emissions

Singapore

Olam has launched its climate-tech venture [Terrascope](#) to empower companies to accurately and efficiently manage and reduce their carbon emissions.

Since the beginning of its commercial trials, Terrascope has measured over 230 million metric tonnes of Greenhouse Gas (GHG) emissions for companies from industry sectors with complex supply chains – Food & Beverage, Agriculture, Real Estate, and Consumer Goods – across 15 countries. Current commercial trials are underway with businesses across diverse industries and sectors in the UK, France, Indonesia, Japan, Malaysia and Singapore.

Terrascope's platform is an Enterprise-grade Software as a Service (SaaS) powered by Data Science and Machine Learning. It was born out of Olam's years of experience to address decarbonisation in its own operations. ([Development 13](#))





Olam Developments (2/2)



Olam food ingredients (“ofi”) announces acquisition to expand its private label capabilities in North America

26th Apr, 2022 **London** - **Ofi** today announces the acquisition of Club Coffee L.P. (“Club Coffee”), one of Canada’s largest roasters of packaged coffee to the ‘At Home’ segment. The transaction is expected to complete in Q2 2022, subject to regulatory approval and other conditions. **ofi** will acquire Club Coffee at an enterprise value of CA\$ 150 million, subject to working capital adjustments on closing.

The acquisition of Club Coffee is aligned with **ofi**’s growth strategy to deliver sustainable, natural, value-added food and beverage ingredients and solutions through a diverse channel mix, to customers across the globe. The private label and co-manufactured channel is an attractive, high value and growing part of **ofi**’s portfolio. Club Coffee is one of Canada’s largest coffee roasters and packaging solutions providers to the ‘At Home’ segment, serving private label customers and retail brands from its facilities in Toronto. Operating since 1906 with a commitment to quality, sustainability and innovation, Club Coffee enjoys long-standing relationships with its blue-chip customer base who value its expertise in blending, roasting, manufacturing and sustainable packaging innovations for packaged coffees. Excluding acquisition-related costs and charges, the acquisition is expected to be accretive to current year earnings. ([Development 14](#))





Who we are



- Cropfield Consulting, est. 2020
- Nicola Chiaranda, Owner & Managing director
- 30+ years' corporate career in public US, French and Italian multinational groups in Agribusiness & Food (Bunge, Cargill, Cerestar, Eridania Beghin-Say)
- Global CFO, VP Strategy & Business Development, VP Performance Improvement
- Conducted large number of Mergers & Acquisitions (acquisitions and divestitures) and large-scale change management
- Optimization of processes and controls, Implementation of new systems
- Raised capital via debt, equity and IPOs
- Currently Professor of Private Equity, University of Venice (Italy)
- Large network of senior subject matter experts available on demand
- www.cropfieldconsulting.com





What we do in Agribusiness & Food

- We sit in public and private companies' boards, advisory committees, investment funds investment committees
- We study and discuss the client's mission, vision and strategy together with owners/top management, with a strong focus on value creation, and:
 1. **we help with growth**, helping with M&A activities (identify target companies, build a pipeline, contact targets, evaluate, negotiate, close deals, integrate targets) and with corporate finance (raise debt, equity, IPOs, divest businesses, work to reduce the cost of capital)
 2. **we help improving operations** in specific areas, particularly SG&A related (identify performance issues, source other specialists as needed, benchmark, set targets, design plans to achieve them, help with execution)





How we can help in Agribusiness & Food

1. We have a first conversation with owners / top management to understand the strategy together with the situation and the current issues
2. We prepare a document indicating areas of focus and how we can help to move from current state to desired state
3. We work together with management to build a detailed action plan, with milestones and KPIs
4. If desired, we support or even drive the execution of the plan
5. Our fee model has two components: a retainer and a success fee component to align our incentives with client benefits





Contacts

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