



# Global Agribusiness Leaders

**Strategic Developments Newsletter #7**  
**NOVEMBRE-**  
**DECEMBER 2022**

By CROPFIELD CONSULTING LIMITED ®

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# Scope

- With this SEVENTH Quarterly Newsletter Cropfield® Consulting continues to monitor the Strategic Developments of the largest Agribusiness Players, the so called ABCD and the others, like Wilmar, Olam, Cofco, 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 has also been publishing two additional separate 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](http://www.cropfieldconsulting.com) to see /request them



# Strategic Developments in the industry



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

| November-December 2022 |                  |                                |        |            |               |
|------------------------|------------------|--------------------------------|--------|------------|---------------|
| Strategic Developments | ADM              | CARGILL                        | CHS    | LDC        | OLAM          |
| Acquisitions           |                  | 3 – US, Kentucky               | 7 – US |            |               |
| CAPEX                  | 2 – US, Illinois |                                |        |            | 9 - Singapore |
| Partnerships           |                  | 5 – Philippines<br>6 - Vietnam |        |            |               |
| Other initiatives      | 1 – Global       | 4 – Global                     |        | 8 – Global |               |



# Q3 2022 Key AG Strategic Developments



- From a Strategic Development perspective, these are November/ December 2022 highlights:

- November-December 2022 have been overall quiet in terms of strategic developments, with no major acquisitions or capital investments
- Capex Investment of relevance have focused on research facilities, with the opening of a new North America Microbiology Laboratory by ADM in Illinois [Development 2] and of a new Customer Solution Center by Olam in Singapore to create innovative food products [Development 9]
- Acquisitions were at different stages of the value chain, with Cargill acquiring the Owensboro Grain Company, a soybean processing facility and refinery located in Kentucky [Development 3] and CHS investing, via its CVC arm, Cooperative Ventures, in Sabanto, an hardware and software company deploying fully-autonomous machinery performing row crop field operations throughout the U.S. [Development 7]
- Cargill created two Partnerships: in Food Security in the Philippines [Development 5] and in Sustainable Agriculture in Vietnam [Development 6]
- ADM and other leading agri-commodity companies (Amaggi, Bunge, Cargill, COFCO International, Golden Agri-Resources, JBS, Louis Dreyfus Company, Marfrig, Musim Mas, Olam Group, Olam Food Ingredients (ofi), Viterra and Wilmar International) signed the Agri-Commodity Sector Roadmap, an agreement to remove deforestation from supply chains by 2025 [Development 1]
- Lastly, significant organisation changes have been announced by Cargill that has appointed its new CEO [Development 4], and by LDC, that has created a New Food & Feed Solutions as the last Agribusiness giant to strategically move downstream with the goal to capture additional less volatile margins [Development 8]







# ADM Developments (1/2)



## **ADM Statement on the Agriculture Sector Roadmap to 1.5 to Reduce Emissions from Land Use Change**

CHICAGO, Nov. 8, 2022— ADM today issued the following statement:

ADM and other leading agri-commodity companies signed the Agri-Commodity Sector Roadmap this week, an agreement to remove deforestation from supply chains by 2025 while protecting global food systems and producer livelihoods. Building on a commitment set out by the CEOs of these fourteen companies in COP26, all of which manage large global trade volumes and supply chain, the agreement is an important step toward putting the global economy on a 1.5C trajectory through forest positive action.

“ADM takes its commitments to halting climate change seriously, and its implementation of the 1.5 degree roadmap is an integral part of a broader climate strategy that includes aggressive targets to reduce Scope 1, 2 and 3 greenhouse gas emissions, said Alison Taylor, Chief Sustainability Officer at ADM. “We are proud to collaborate with our peers to take this next step to reduce forest loss from supply chains.”

ADM committed to No Deforestation, No Peat, and No Exploitation (No DPE) in their supply chains in March 2015.

ADM has also set individual goals and targets to continue to drive sustainable performance. Earlier this year, ADM accelerated its target by five years and committed to achieving 100% deforestation-free supply chains by 2025. ADM is also on track to achieve its traceability goals in soy supply chains in Brazil, Paraguay and Argentina by the end of 2022. The company has also achieved a high level of traceability to the mill in the palm supply chain and is working to increase traceability to plantations. [Development 1](#)





# ADM Developments (2/2)



## **ADM Expands Research and Quality Capabilities with New North America Microbiology Laboratory**

11/7/2022 ADM (NYSE: ADM) today celebrated the opening of its new North America Microbiology Laboratory at the ADM Specialty Manufacturing Facility in Decatur, Ill. The new facility doubles ADM's current microbiology laboratory footprint and reflects a significant expansion of its testing capabilities, as well as its footprint in the Decatur community. ADM's Microbiology Laboratory is responsible for testing finished product from North America for lot release to the market. The lab initially started in the late 1960s, and has expanded five times through the years, with 2006 being the latest expansion next to ADM's Decatur East plant.

The new facility will provide testing services to more than 26 ADM manufacturing facilities located throughout North America. It features state-of-the-art technology providing access to the latest lab and testing innovation as well as the ability to process an exponentially higher volume of tests. The new lab will also allow the company to conduct advanced testing in-house such as kill-step validations for processing plants, including automation applications.

In addition, the laboratory will become ISO 17025 accredited for the top five quality testing methods in early 2023 and will continue to expand its certification for other methods. A laboratory information management system will also be implemented at the new location in late 2023, allowing faster reporting to ADM clients ([Development 2](#))





# Cargill Developments (1/3)

## Cargill announces acquisition of Owensboro Grain Company

**MINNEAPOLIS (Nov. 28, 2022)** – Cargill and Owensboro Grain Company, a fifth-generation family-owned soybean processing facility and refinery located in Owensboro, Ky., today announced that they have entered into a definitive agreement where Cargill will add Owensboro Grain Company (OGC) to its North American agricultural supply chain business.

Owensboro Grain Company was founded in 1906 as a small grain merchant and today operates a fully integrated soy processing facility, producing soy products, including protein meal and hull pellets for animal feeds, crude and degummed oil, lecithin, various blends of refined vegetable oil for human consumption, biodiesel, glycerin and industrial waxes. The addition of Owensboro Grain Company enhances Cargill's efforts to modernize and increase capacity across its North American oilseeds network to support growing demand for oilseeds driven by food, feed and renewable fuel markets.

Terms of the deal were not disclosed. The transaction, which has been approved by the Boards of Directors of Cargill and Owensboro Grain Company, is subject to regulatory approvals and other customary closing conditions and is expected to close in early 2023 ([Development 3](#))







# Cargill Developments (2/3)



## **Cargill Appoints Brian Sikes as President and Chief Executive Officer, and Dave MacLennan as Executive Chair of the Board**

- Sikes, who will assume the CEO role on Jan. 1, 2023, is a 31-year Cargill veteran with deep global experience and relentless focus on people and culture, delivering for customers and defining growth strategies.
- Sikes will be the 10th CEO in Cargill's 157-year history and brings a strong track record of business operational rigor to the role, having grown the company's global Protein and Salt enterprise into an industry leader. Sikes currently serves as Cargill's Chief Operating Officer (COO), where he has been instrumental in constructing the company's long-term strategy. With broad experience across multiple businesses, cycles and geographies, Sikes held leadership roles in the U.S., Canada and Europe, and served as the head of the company's Talent Center of Expertise.
- MacLennan, who has served as CEO since 2013, led the successful transformation of Cargill into a focused, stronger portfolio with an expanded global footprint in roughly 70 countries. With this transition, MacLennan has been named Executive Chair of the Board. ([Development 4](#))





# Cargill Developments (3/3)



## **ASSIST and Cargill partner together to bolster food security in the Philippines by capacitating smallholder corn farmers**

**TUGUEGARAO CITY, PHILIPPINES, 29 November 2022** - In an effort to further support the Philippine agriculture sector, Cargill Philippines is launching the Agri-Sagana Project in Cagayan and Isabela with the Asia Society for Social Improvement and Sustainable Transformation (ASSIST) to capacitate farmers and cooperatives in the corn supply chain to boost agricultural yields, improve their standard of living, and contribute to the country's food security ([Development 5](#))

## **Cargill and CARE International partner to improve sustainable agriculture for rural communities in Dak Lak, Vietnam**

**HANOI, VIETNAM (November 8, 2022)** – Cargill and CARE International signed a Memorandum of Understanding (MoU) for a two-year program, 'She Thrives', at a ceremony held in Hanoi today. 'She Thrives' aims to improve sustainable livelihoods among rural smallholders, particularly women and ethnic minorities from Dak Lak province in Vietnam by connecting farmers and producers to the tools and resources they need to enhance their livelihoods sustainably.

This program focused on the central highlands' province of Dak Lak will commence immediately and run through August 2024. Over the next two years, it will impact over 15,000 people, including over 7,000 women from the province's Buon Ho district. ([Development 6](#))





# CHS Developments



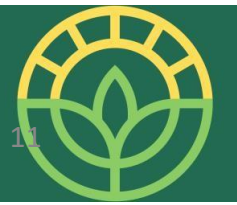
## Cooperative Ventures announces first investment in ag startup

Nov 04, 2022 - Cooperative Ventures, a venture capital fund focusing on innovative solutions and emerging technologies that positively impact farming, founded in late 2021 as a joint venture between CHS and Growmark, two of the largest farmer-owned agricultural supply cooperatives in North America, today announced its first investment in Sabanto, a hardware and software company on the forefront of developing autonomous capabilities in tractors.

Sabanto, founded in 2018, is deploying fully-autonomous machinery performing row crop field operations throughout the U.S.

Sabanto is currently focused on retrofitting 60- to 200-horsepower tractors to operate autonomously. Already, Sabanto has proven its ability to automate a variety of row crop field operations, including planting, tillage, spraying and mowing over thousands of acres throughout the Midwest.

This first investment by Cooperative Ventures is aligned with the capital fund's core investment areas, or "Fields of Play," to maximize the impact of each investment: crop production, supply chain, farm business enablement and sustainability ([Development 7](#))





# LDC Developments



## Louis Dreyfus Company Creates New Food & Feed Solutions Platform

Rotterdam, The Netherlands, December 13, 2022 – Louis Dreyfus Company B.V. announced today the creation of a new Food & Feed Solutions Platform (or business line) within its Value Chain Segment from January 2023, to address favorable market trends and customer preferences toward healthy, nature-based products. The new Platform will focus on developing and growing LDC's presence in the lecithin, glycerin and specialty feed protein space, leveraging the Group's strong raw material origination and processing capabilities.

“Demand growth for ingredients of natural origin is accelerating, fueled by increasing use in functional foods, nutraceutical products, personal care products and other non-food and industry applications,” said Michael Gelchie, LDC's Chief Executive Officer. “As part of LDC's strategic plans for revenue diversification through more value-added products, we see an opportunity to participate in this rapidly growing nature-based ingredients market.”

With its global asset network and market presence, the Group is well-placed to scale up its participation in the nature-based ingredients market, both through organic growth of production capacity and through targeted acquisitions and investments to diversify and expand the geographic scope of its portfolio ([Development 8](#))





# Olam Developments



## **Ofi expands its innovation capabilities with a new Customer Solutions Center in Singapore**

Singapore, 15th Nov, 2022 - Olam food ingredients ("ofi"), a global leader in naturally good food and beverage ingredients, today opens its new Customer Solutions Centre (CSC) in Singapore. The new facility will enable ofi to better collaborate with brands, grocery retailers and foodservice companies to create their next delicious and nutritious product for consumers. The CSC will be inaugurated by guest of honor, Ms. Low Yen Ling - Minister of State, Ministry of Trade and Industry (MTI) & Ministry of Culture, Community and Youth (MCCY) ([Development 9](#))







# 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](http://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)  
[www.cropfieldconsulting.com](http://www.cropfieldconsulting.com)





# 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

Cropfield Consulting SAS

Nicola Chiaranda

President

[nicola.chiaranda@cropfieldconsulting.com](mailto:nicola.chiaranda@cropfieldconsulting.com)

11 Avenue de Madrid

92200 Neuilly-sur-Seine

France

Tel + 44 74 15 71 78 85

Tel + 33 76 22 42 30 7

Tel + 39 33 92 25 76 22

[www.cropfieldconsulting.com](http://www.cropfieldconsulting.com)

