



Global Agribusiness Trading Houses

Strategic Developments #1
APRIL-JULY 2021

By CROPFIELD CONSULTING LIMITED ®

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Scope



- With this quarterly letter Cropfield® Consulting starts to monitor the Strategic Developments of the largest Agribusiness Trading Companies, the so called ABCD and the others, like Wilmar, Olam, Viterro, EDF Man, CHS, that connect farmers with food companies and consumer and are responsible for the vast majority of the agribusiness commodities international trade, and to provide insights on how they are shaping the Agribusiness world and the Agri & Food value chain.
- Cropfield® Consulting will also provide two additional separately quarterly letters: one concerning the Agribusiness Environment & Financial Results of the Agribusiness Trading Companies and another one concerning the evolving landscape of the Agtech Companies that are entering the publicly listed markets.



Strategic Developments in the industry

- As far as the Strategic Developments of the Agribusiness Trading companies, the table below summarizes what has happened from April to July 2021. The numbers refer to the events that are illustrated later in the document. We considered the companies that made relevant public announcements in the quarter and classified them by type of strategic action.
- If you are interested to know more about each initiative, you can click on the links to read the announcements.

Q2 2021 Strategic developments 24	ADM	BUNGE	CARGILL	CHS	OLAM	VITERRA	WILMAR
Acquisitions	3		9, 10, 11, 17		22, 23		26
Joint Ventures/Partnerships		6	8, 12, 13, 15, 17, 18		21		26
CAPEX	2, 4		13, 14, 16, 18	19, 20		25	26
Technology developments		6	8, 12, 15, 17				26
Divestitures							
Other initiatives	1, 5	7			24		26



April July 2021 Key Strategic Events (1/2)



- From a Strategic Development perspective, the most important events announced in April/July 2021 have certainly been the following:
 - ADM constructing a new 4100 ton/day \$ 350 Million investment soy crushing plant in North Dakota (Dev. 4)
 - Cargill building a new 1 Million tons/year, \$ 350 Million investment canola processing plant facility in Regina, Saskatchewan (Dev 16)
 - Viterra constructing, also in Regina, a new 2.5 Million tons/year canola crushing plant in Saskatchewan (Dev 25)
 - Cargill building a new 200 M palm oil refinery, in Lampung, Indonesia (Dev 14)
 - Cargill becoming majority owner of the Neptune JV port grain terminal, at Port Pivdennyi on the Black Sea (Dev 9)
 - CHS, increasing its grain terminal export capacity at Mirtyl Grove, Alabama, with \$ 73 Million investment (Dev 19)
 - Olam Food & Ingredients acquiring Olde Thompson, a leading US spices and seasonings manufacturer, for \$ 950 M (Dev 21)
 - Cargill partnering with HELM to build a renewable technology Butanediol plant for \$ 300 M (Dev 12)





April July 2021 Key Strategic Events (2/2)



- The investments in new crushing capacity in Saskatchewan and North Dakota reflect the positive outlook and growth of soybean and canola crushing in North America, where the oil is going to be mainly used to fulfil the local increased renewable fuel mandates and food needs, while the meal is going to be exported, mainly to China. The investments in grain export capacity in Alabama and Ukraine also reflect the growing global demand for grain from origins to destinations like the Middle-East and South East Asia / China. Sustainable palm oil, the most efficient vegetable oil, growing demand at growing prices is justifying Cargill new refinery investment in Indonesia.
- In general, we see companies investing to maintain and grow their upstream strongholds, supported by high commodity prices, and investing more and more in downstream (particularly Cargill and ADM, see below) where margins are higher and more stable.
- Downstream investments, that often aim at providing customers with new solutions, are also often stretching companies outside their current capabilities, so Joint Ventures, where companies with complementary skills join forces, are more common (see below Cargill, Bunge, Olam). The same is true for new technology investments, constantly growing in the Agri & Food space, where large established companies partner with and invest in startups and scale up (see particularly Cargill, below).
- Looking at the different Agribusiness players, one by one, the following can be highlighted.





ADM Developments (1/2)



US Ethanol Production

- Based on increased demand for domestic ethanol and improved economics, ADM has restarted ethanol production at its Vantage Corn Processors dry mills in Cedar Rapids, Iowa, and Columbus, Nebraska ([Development 1](#))

Singapore Food Innovation Lab

- ADM has opened a new cutting-edge, plant-based innovation lab, located in ADM's Biopolis research hub in Singapore. The lab will develop next-level, on-trend and nutritious products to meet growing food and beverage demand in the Asia-Pacific region. Protein continues to be a focus for consumers who are experimenting with plant-based options to meet their health and nutrition, sustainability and convenience preferences, and with Asia being home to 60 percent of the world's population, Singapore is a critical hub of innovation and growth around plant-based alternatives. ([Development 2](#)).





ADM Developments (2/2)

Vietnam Animal Feed Acquisition

- ADM acquired Golden Farm Production & Commerce in Vietnam, active in the Premix animal feed sector, with a state-of-the-art premix facility in Long Khanh – Dong Nai, quality controlled according to international quality standards and with the capability to offer a wide array of innovative products and services to customers across Vietnam ([Development 3](#))

North Dakota New Soy Crushing & Refining Plant and Illinois refining expansion

- ADM will Build a New Soy Crushing and Refining Facility in North Dakota to meet increasing demand for Renewable Products from food, feed, industrial and biofuel customers, including producers of renewable diesel and is also adding refining and storage capacity to crush facility in Quincy, Illinois. Based in Spiritwood, ND, the approximately \$350 million crush and refining complex will have the capacity to process 150,000 bushels of soybeans per day. The facility is expected to be complete prior to the 2023 harvest.
- ADM also plans to invest approximately \$25 million to expand refining and storage capacity at its crush and refining facility in Quincy, Illinois. This project will fully align the location's refining capabilities with its crush capacity and allow for greater flexibility in meeting the needs of ADM's food, biofuel and industrial customers. The expanded capacity is expected to be online by Q1 2022. ([Development 4](#))



ADM Business & Strategy Update (1/7)



- Interesting remarks from ADM CEO have been made during the May 19th BMO conference ([Development 5](#)), where the following has been said.
- Internal Developments
- ADM has undergone a significant transformation over the last several years. We went from a basic commodity merchandiser and processor to also evolving into a leader in nutrition, with roughly 800 facilities around the world. From its traditional role of global supply chain manager, matching needs with global capabilities, ADM has grown much closer to consumer needs through insights and research to shape our offerings to best meet our customer needs. These days, we can offer to our customers one of the most complete portfolio of ingredients and solutions for food and beverages, supplements, nutrition for pets and production animals as well.
- ADM is also positioned as a growing leader in sustainable solutions such as methane-reducing animal feed supplements or plant-based replacement for petroleum-derived products, what we call biomaterials.
- The current strategy is a 3-pillar strategy based on:
 - (1) optimizing our portfolio to match it to the new trends,
 - (2) drive efficiencies through our operations and
 - (3) expand strategically.





ADM Business & Strategy Update (2/7)



- When we designed that strategy, I had in mind 3 main objectives: one was to achieve 10% ROIC, at that point in time, 200 basis points above our WACC; build an earnings power of \$4 to \$4.50 per share; and adjust the portfolio to new consumer trends
- ADM is now taking the next step on our strategic transformation by sharpening our focus on 2 strategic pillars: productivity and innovation.
- Although we've always been focused on EVA, the initial focus was ROIC. Now that we have grown the spread over WACC, it makes sense to focus on growing our earnings to increase EVA.
- So, if you look at productivity, basically, here, we're going to be harnessing the latest technologies and process improvements to deliver even better execution at lower costs. Some examples of this, we made go-to-market evolution, we reorganized our go-to-market structure to be much more customer-centric, both, we adjusted structures in carb solutions and also in nutrition. We are implementing 1 ADM that will provide common processes and an ERP platform across the company to enable more efficient and integrated decision-making, better use of data. We have digitized our transportation supply chain using blockchain, examples like Covantis, to streamline our manual processes, and we have launched that recently in Brazil. We have enhanced analytics and automation to improve process controls and reduce R&M expense.





ADM Business & Strategy Update (3/7)



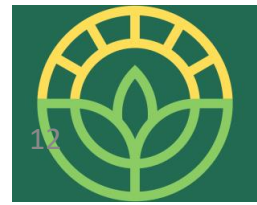
- On the innovation side, it's a little bit about developing more that innovation and differentiation muscle of ADM. We've been doing a good job through nutrition, but we see now opportunities spanning across the whole value chain.
- So we're leveraging a lot of digital tools to enhance both the customer experience but also the producer relationship.
- We're using artificial intelligence to help us with sales, allowing margin expansions through a data-driven focus on sales, pricing and product mix.
- We also extended our channels. We selectively participate in B2C in either dietary supplements, like what we do with Protexin; or in pet products, like we do in Mexico and other places; and in plant-based meat alternative solutions through PlantPlus.
- We developed a number growth platforms that will be with us for the next few years.
- Microbiome. We have developed leadership in postbiotics, which is a very much a new category of probiotics that will significantly expand the ability to bring probiotics into more applications that either require extrusion or heat treatment. And this will further expand this north of \$9 billion microbiome market.
- Sustainable solutions. We talked a lot about sustainable solutions, what we call BioSolutions. And we already have a large business to this. If we were reporting this segment, we will be reporting sales of \$1.5 billion and around \$250 million operating profit. So this is a fast-growing -- this is a profitable segment of ADM, and it's just getting started. We got about \$25 million of new sales in the first quarter. So our portfolio is growing at about 7% per year in this area.



ADM Business & Strategy Update (4/7)



- Alternative Proteins. Then just to touch on another one, we have the area of Alternative Proteins where we're leveraging our expertise from decades of oilseed processing experience and the broad pantry of proteins from across ADM that we have, it's either soy or pea or wheat or edible beans, as well as all our flavour creations and product development capabilities. So this market is also growing very fast. And we are a very, very large player in that market with a lot of room to grow.
- We believe that we are poised for significantly higher 2021 operating profits and EPS. We are positioned for enduring trends of food security, health and well-being, and sustainability. And that provides a unique and stable growth opportunity for ADM.
- We are on the verge of strong post-COVID market demand recovery for our products. We haven't started that, but we can see, we can feel it in the way our customers are prepared.
- The changes in demand dynamics for the 3 business units basically will require additional targeted investments over the next few years, whether it's in ag services and oilseed, we've enhanced crush capacity to meet the structural demand growth; or in carb solutions as we diversify the portfolio to new higher-value products, like these biomaterials I was mentioning about; or in nutrition, where we continue product innovation that is aligned with consumer trends and selected capacity investments to maintain and grow our share.
- So to summarize this strategy, it sets up to drive more of our results with controllable actions. That is what we like to do through productivity and innovation. And we think that will dampen the impact of market cycles on our earnings, therefore, providing for more predictable and consistent growth in the years to come.





ADM Business & Strategy Update (5/7)



External environment

- I think that there has been some significant changes in the industry. I think that a structural change has been -- clearly, in China, in the sense that the way they are feeding animals now. We've moved to a more professional way of feeding animals. That's adding a lot more grains and soybean meal to the ratio, and we see that demand. And we see that's what's happening with prices right now. Prices are driven by a very sustained demand. And we are seeing other demands popping up, as we have seen with renewable green diesel. And we see that the sustainability impact across the portfolio has been remarkable, and we see a lot of that. So we see that consumer changes are coming all the way through the chain to us. And we see some of these changes in the big consumers like China or new users for our products, like renewable green diesel, driven by sustainability trends. So I would say we feel very good about the environment that we're facing

Renewable fuel - Gregory A. Morris - Archer-Daniels-Midland Company - Senior VP and President of Agricultural Services & Oilseeds

- In terms of renewable green diesel, the governments have made significant commitments to reduce greenhouse gas emissions by 2030, maybe think about the public policy that continues to support products like renewable green diesel. There's a significant opportunity for ADM as we look at the expansions that have been announced (North Dakota, Illinois). We think that over the next several years, there's probably 2 billion to 3 billion gallons of renewable green diesel that are going to come online. And to be able to participate in that significant demand growth in terms of the feedstock required for those facilities is a great opportunity for us.



ADM Business & Strategy Update (6/7)



China - Juan Ricardo Luciano - Archer-Daniels-Midland Company - Chairman, CEO & President Yes.

- I think in the grain there are a couple of big issues at play right now, well, maybe 3 issues. One is the overall demand. And I think that people around the world are eating more meat. Protein demand is strong around the world, whether it's for animal protein or plant-based protein, but people are eating more protein. So that's a huge thing. Of course, China has a big issue with ASF, and they are coming back. They are coming back in a different way. And I think that -- on top of all that, I think the pandemic showed -- although it showed the resiliency of the supply chain around the world for the food supply chain, I think we all work uninterrupted through the pandemic. It created worry and emphasized the issue of food security. And I think that you can see in some areas around the world, inventories have been depleted because of this growth. And some governments are rebuilding some of those inventories. And I think China had, as you know, had a very bad corn crop. And then corn, they are importing a lot of corn, but they need to rebuild their stocks. They have used a lot of their wheat inventory. They have imported a lot of wheat from Europe. They have imported a lot of sorghum as well. So I think you're going to see -- you see that there's going to be demand that is not just going to be satisfied with the U.S. crop. We're going to need a couple of years to normalize what we're going through. And I think China's evolution through ASF has been very predictable, to be honest. We talked about them increasing the imports of animal proteins from around the world. And I think that the recovery, we still put it coming back to pre-ASF levels, somewhere in mid-2022. So we still have some ways to go in that until these things normalizes.





ADM Business & Strategy Update (7/7)



Nutrition Business

- Nutrition business results have been spectacular. But I continue to remind people, I mean, we are a newbie in this industry, and we're still building capabilities. So the business, to a certain degree, surprised me, in particular, in the first quarter. Delivered 9% profit growth versus same quarter last year, when I was expecting a little bit more of a flattish performance, just because we were investing more in the business. The business continues to prove me wrong. I would say the path to \$1 billion of operating profit by 2024 hasn't changed. That calls for about a 15% annualized operating profit that we feel comfortable to deliver. Probably the way to get there, it will be if conditions persist as it is, less through M&A, through bolt-ons that we have done in the past and more through organic growth. And we think that's the most value-creating way right now. But we have so many platforms that I think the big challenge for our team is how to continue to get better, more than getting broader. We got broader in the past. We have the best portfolio in the industry. And now is how do we synergize that portfolio? It's a broad portfolio. So it's difficult to formulate with so many options. And that's where the team is focused now, how to create connectivity with customers that are even better, how do we innovate faster. That will take us to the \$1 billion, and we are well underway to do that.





Bunge Developments



Partnership to form Vector, digitizing truck freight

- Bunge and Target, a South American logistics and technology solutions provider, have partnered to form Vector, a new enterprise focused on digitizing truck freight hiring and other services in Brazil. This is a interesting tech development for Bunge that could also be leveraged in other countries. ([Development 6](#)).





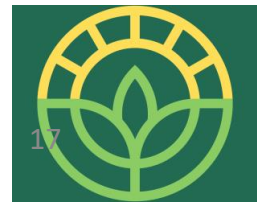
Bunge Business & Strategy Update (1/6)



- Interesting remarks from Bunge CEO have been made during the May 19th BMO conference ([Development 7](#)), where the following has been said:

Bunge strategic focus: oilseed, grain origination, risk management, cost reduction

- Bunge got focused around our oilseed processing and origination business and on creating the financial discipline every day and that we managed the risk to ensure that it's appropriate for our earnings power in the environment we're in.
- Part of that is the discipline is also the cost base. The team has done a good job starting on cost before we arrive. We've been able to build off of the work that was done there and continue to take costs out. And our goal is to be the low cost operator in the industry because that means, even at the bottom of the cycle, we'll have great cash flow and, frankly, the rest of the industry will provide an umbrella for us on the margins
- You're going to see higher lows at the bottom of the cycle in our returns. And we'll be able to earn above our weighted average cost of capital during the worst times.





Bunge Business & Strategy Update (2/6)



- On the cost side, we're never done. It's continuous improvement. So, we'll continue to go after being more efficient in SG&A costs and how we run our operating model. And then, on the industrial side, we need a lot of change going on. And frankly, the job our industrial team did going in the plants every day during COVID, keeping our processing and distribution facilities and the ports all running and serving our customers the last year and a half, has just been unbelievable.
- But, we hadn't had the time to do all the work around the industrial costs. Now, as we have one industrial leader, we're literally looking at the best of Bunge globally and applying that across our asset base to get to the best cost and the most efficiency.

Growth

- And then, as far as--on the growth side--and starting to put capital to work--we'll continue to find those opportunities to consolidate, bolt on regional consolidation in our global oilseed processing and origination footprint, no doubt. We're going to protect our strongholds, and we'll continue to look for those opportunities to fill in any gaps.

Specialties & Lipids

- And then, of course, the specialty and the lipids business, specialty and refined oils--we've got a number of opportunities for organic growth, continuing to take our capabilities into new geographies as well as continuing to build on our capabilities. And some of that will be--as well as organic, but also bolt on acquisitions and tuck-ins.





Bunge Business & Strategy Update (3/6)



- Plant protein ingredients
- And then, the plant protein ingredients--very excited about what's happening there. I mean, this trend is in place. We're already serving a number of those customers with our lipids business and providing a lot of products that go into these plant protein products and make them taste great and give them the mouth feel and the bite and the texture that people love. And those customers are telling us, "Hey, we want to see you in the plant protein supply." And we begin to make some investments in doing the work, but working with the customers backwards to put the plan in place to be their long term supply to meet that long term demand that is in place on the plant protein side.
- Renewable feed stocks
- And then lastly, of course, around renewable feed stocks--this is quite an investment that's been made here in North America and is planned to be made here in North America, in the U.S. and Canada, by the energy industry. And they're committed to renewable diesel. Biofuels are already growing globally. But, this is kind of really at a different level. And we're going to continue to work. We're already supplying those, and we're working with those customers to supply them as their demand continues to come on.
- And that's going to be very interesting on the opportunities that creates, whether it's debottlenecking, which we're already doing a number of projects--of course, the lowest risk and highest return--whether it's brown fields or making changes to our current footprint, maybe adding a refinery where we have crush or converting a soy plant to be dual and be able to run--to crush soft as well, or putting a green field in where it makes sense and where it makes sense, not only for serving that demand, but our food demand and thinking about our footprint and our--and keeping our footprint low cost for the long term. But, look, we'll be very, very thoughtful and disciplined about putting that capital to work. You can't fall in love with spot margins when you put assets in the ground that live for decades. So, we'll be disciplined and thoughtful about where we do that. It's an exciting time.





Bunge Business & Strategy Update (4/6)



- Refined Oils
- I think, on the refined oils--you think about it--there's the food and then the fuel. So, slightly different. And we ended on fuel. Let me start there, and then, I'll move to food. On the fuel side, it's what our business is. It's about logistics. It's about transportation. It's about risk management. It's about working with those customers and understanding their needs and working with them and making what investments make sense in our transportation logistics processing infrastructure to be able to serve them and make the right returns.
- On the food side, what we added when we brought the tropical oils in with Loders Croklaan to make us core now in all the oils globally, is really--the timing couldn't have been better. The innovation capabilities, the ability to work with customers on reformulation, which is always going on with customers whether innovating for new products or looking for cost. But now, as you have North America basically moving from being surplus vegetable oil to being deficit vegetable oil over the next few years--the increase we've seen in refining margins working with our food customers on reformulation as they change a number of their formulas around what's happening in the oil markets, the oil flows, and price and cost advantage. So, those capabilities are just in the right place. We definitely saw them pay off earlier when we saw the switch from food away from home to food at home, between food services CPG. We'll now see some of that shift back as well as a shift in the oil mix.





Bunge Business & Strategy Update (5/6)



- Renewable diesel
- The demand and the capacity--it looks like it's going to be installed for renewable diesel- -it's definitely beyond what capacity exists or has been announced. We've seen some capacity announced on the soft side in Canada, which makes sense, canola being much higher in oil content than soy and some of the capacity that's expected to be built in Canada as well as in the U.S. And so, some of that canola that was being exported, of course, will be crushed. The oil will be used in North America, and the meal will be exported. So, we're seeing some of those shifts happen. And then, thinking about--as the other oils--if you think about the used cooking oils and the corn oils and the animal fats and that--get soaked up with the amount of demand as they move into the vegetable oils, which we're already seeing at scale. What's the right footprint to be able to serve those customers?
- Sustainability
- We've made changes all the way that we look at sustainability as part of any capex investments that we make now. We were talking earlier about feed stocks. I mean, each feed stock has a different carbon intensity score, carbon index, which will not only drive the prices, but it's going to drive change back at the farm gate on what we have the producer do to drive down that CI score. And that's going to create a number of new opportunities because it's not going to be just in fuel. People are going to want that in food, and they're going to want it in the feed products as well. So, I think there's a variety of new products and services that are going to flow out of having a much more climate friendly focus on everything we do in that value chain and try to connect what the consumer wants to what the producer needs to do and getting some of that value through the value chain to the producer.





Bunge Business & Strategy Update (6/6)



- Sugar divestment ?
- When will we start hearing about announcements and thought process for the sugar asset? We just crossed the date here. We're about to. We're able to market it--that business privately. And then, of course, here, at the end of the year, we could IPO it. But, look, we got a great partner in BP. We've got a fantastic leadership team down there. They're doing a great job. They're ahead of all their targets on synergy and operating metric. And the environment is improving. So, we'll find the right time to maximize our value as we exit that. That is a focus, and we'll bring that money back into the core business and let the teams compete for it. So, kind of depends on the environment down there. As we get kind of post COVID in Brazil, will be helpful as well.
- Transformational acquisitions?
- I think everything is on the table with us. We let the numbers drive it. We look at the risk adjusted. We'll stay absolutely focused on driving our day to day results in delighting our customers, on building our asset base, on putting the money to work. But, if we see the right opportunity to do something transformational, we think we're as good as anybody else to do it in this industry. So, every day is a new day.





Cargill Developments (1/6)



Cargill support early-stage tech

- Cargill supports AGFood Technology through the Techstars Farm to For Accelerator, a three-month, mentorship-driven program that engages early-stage entrepreneurs changing the face of the global food system. The 11 startups in the 2021 Techstars program are utilizing technology to drive innovative solutions in areas such as the future of food retail, food safety, and workforce development and management. Through the work with the Techstars program, Cargill brings established, global business resources and reach to the table while motivating fresh thinking that will help solve urgent and complex food security and sustainability issues ([Development 8](#))

Ukraine Grain Export Terminal

- Cargill has finalized its commitment to become the majority (51%) shareholder of its joint venture Neptune, at Port Pivdennyi on the Black Sea. With technical trans-shipment capacity of around 5 million tons of grain per year, Neptune is one of the largest infrastructures of this type in the region and is able to load all the different grains and oilseeds exported from Ukraine. Neptune has a deep-water berth of 16 meters to attract high tonnage vessels. Neptune, serving a number of customers - primarily exporters of corn, barley and wheat, adds to Cargill's footprint of port facilities in the Black Sea region and confirms the company's intention to continue investing in Ukraine's agricultural sector ([Development 9](#))





Cargill Developments (2/6)



Well-being of Pets

- Cargill invests in AnimalBiome, Oakland, California-based start-up, to improve the well-being of pets through better gut health. The investment aims to accelerate product development and insights in growing pet digestive health industry. AnimalBiome provides personalized health products and services rooted in the science of the microbiome to assess, restore, and maintain gut health of cats and dogs. Cargill's move into the digestive and immune health space began in 2017 with its acquisition of Diamond V, a leading animal health company, and investment in Delacon, a pioneer in phytogenics health solutions. Looking forward, the company sees health ingredients as one of the fastest growing segments in nutrition and is concentrated on growth opportunities for both animal and human application. ([Development 10](#))

Soluble fibers in Poland

- Cargill is investing \$45 million (EUR 38 million) in Poland to add soluble fibers to its European portfolio of starches, sweeteners and texturizers, as demand for reduced-sugar products continues to grow. While the move marks the company's first entry into the European soluble fiber market, Cargill is already a significant player in the sugar-reduction space, with a full line of sweeteners - ranging from full- to no-calorie. The new soluble fibers round out that portfolio, enabling the company to offer customers complete sugar-reduction solutions. The patented technology will also enable Cargill to produce next generation fibers. As with the initial offerings, these future soluble fibers will address key market needs targeting sugar and fat reduction. ([Development 11](#))





Cargill Developments (3/6)



Broiler producers precision solution in North America

- Cargill and Intelia have entered into a partnership to distribute Intelia's COMPASS broiler platform in the United States and Canada in an effort to provide world-class precision solutions to broiler producers. COMPASS is a precision livestock tool designed to help broiler producers monitor, manage, model and enhance decision-making at the flock level. Data from digital platforms and technology can help maximize bird health and well-being, operational performance, efficiency, and even sustainability. ([Development 12](#))

Renewable butandiesel in Iowa

- Cargill and HELM partner to build \$300M commercial-scale, renewable Butanediol facility, first in the US, to meet growing customer demand. The new Qore joint venture will produce QIRA, a bio-based 1,4-butanediol (BDO), made biologically through the fermentation of plant-based sugars, that saves up to 93 percent of greenhouse gas emissions compared to the use of conventional BDO. QIRA will help leading brands in the apparel, automotive, electronics and packaging industries to replace fossil-based chemistries with bio-based intermediates, enabling them to reduce their greenhouse gas emissions, without sacrificing product performance or altering their existing downstream manufacturing processes. The bio-based intermediate production facility will be built at Cargill's existing biotechnology campus and corn refining operation in Eddyville, Iowa and will be completed and operating in 2024. ([Development 13](#))



Cargill Developments (4/6)



New palm refinery in Indonesia

- Cargill is building a new US\$200 million palm oil refinery in Lampung, Indonesia, which will accelerate Cargill's efforts to develop a sustainable palm supply chain and provide verified deforestation free products to customers. The new refinery will connect sustainable crude palm oil production in Indonesia to demands in North America and Europe through a fully integrated supply chain from plantation to customer. Construction for the new state-of-the-art facility has commenced and operations are expected to be completed in late 2022. ([Development 14](#))

Automated oil management system

- Cargill has joined with Frontline International to develop the Kitchen Controller™ end-to-end, automated oil management system, that uses real-time data to more consistently and profitably cook fried foods. The solution leverages Cargill's foodservice experience and oil quality knowledge with Frontline International's Smart Oil Management® equipment expertise and customer relationships. Proper oil management can have huge impact on product quality and production costs. Identifying the best times to safely filter and replace oil has significant benefits, yet too often, kitchen staff end up guessing when to do these critical tasks. Kitchen Controller oil management system is the first digital solution offered to foodservice operators under the new Cargill Serve™ umbrella, an initiative to help customers streamline kitchen management ([Development 15](#))





Cargill Developments (5/6)

New canola plant in Saskatchewan

- Cargill unveils plans for new canola processing facility in Regina, Saskatchewan \$350 million project to support the growing global demand for canola products. The company expects to begin construction early next year with plans to be operational by early 2024. The facility is projected to have an annual production capacity of 1 million metric tonnes. The company will also update and modernize its canola facilities in Camrose and Clavet over the next 12 months to increase volume and broaden capabilities at both locations. The investments is a proof of confidence in the continued growth and competitiveness of the canola processing, while in March, Cargill [announced](#) a series of other projects across its U.S. soy processing facilities, valued at \$475 million dollars. ([Development 16](#))

Investment in Dutch plant-based meat startup

- Cargill invests in start-up Bflike to help food manufacturers and retailers offer a new generation of plant-based meat and fish alternative products. Bflike proprietary technology creates plant-based alternatives that look, feel and cook like their animal-based counterparts. The partnership combines Cargill's extensive food ingredient solutions with Bflike's recipes and technology. Bflike will license its proprietary technology and premix ingredient solutions to food manufacturers and retailers, supporting them to commercialize their own meat and fish alternative products ([Development 17](#))



Cargill Developments (6/6)

Joint venture in renewable diesel in Nebraska

- Cargill expands renewable diesel production thanks to the joint venture with Love's, to produce and market renewable diesel - a green fuel experiencing strong, rising demand. The joint venture is called Heartwell Renewables and will result in the construction of a new production plant and more than 50 jobs in Hastings, Nebraska. The plant will have the ability to produce approximately 80 million gallons annually of renewable diesel. Cargill will provide feedstock in the form of tallow, a rendered animal fat co-product following protein processing. Once the diesel is produced, [Musket](#), the commodity trading and logistics arm of the Love's Family of Companies, will transport and market the product in the United States. The production process makes renewable diesel chemically identical to petroleum diesel with significant improvements in environmental performance due to its drop in carbon intensity and emissions. Construction is scheduled to begin in the following weeks, and operations should start in the spring of 2023 ([Development 18](#))



CHS Developments

Expansion of Grain export terminal in Alabama

- CHS, the US leading agribusiness cooperative, is increasing its grain terminal export capacity at Mirtyl Grove, Alabama). Located 25 miles south of New Orleans, it is the first terminal on the Mississippi River. The \$73 million investment focuses on storage and handling upgrades, which will grow market access for farmers and will bring total Myrtle Grove shipping bin storage capacity to 850,000 bushels. The terminal handles wheat, soybeans, corn, rice, DDGS (distillers dried grains with solubles) and specialty grains for export to customers in Asia Pacific and Latin American countries. Completion is expected by summer 2023. ([Development 19](#))

Dry beans processing capacity in Washington state

- CHS is increasing its edible dry bean processing capacity in Othello, Washington by 35% and will nearly triple throughput at its dry edible bean processing plant in Othello, The expansion includes adding 50,000 square feet of warehouse space, a new bean cleaning line and a fully automated packaging line. The Othello plant process, packages and delivers 10 varieties of dry edible beans to domestic and international markets whose demand is driven by lifestyle changes and the impact of the COVID-19 pandemic. Beans are marketed under the CHS brand (including the El Mejor Frijol® brand), sold in bulk or packaged under private labels for other food brands. ([Development 20](#)).





Olam Developments (1/2)

Indonesia Cocoa sustainable cocoa state of the art farm

- Olam Food Ingredients (OFI), a leading supplier of cocoa beans and cocoa ingredients and Mondelez International, Inc. , a global leader in snacking, and have today announced a new collaboration in Indonesia to create a 2,000-hectare cocoa sustainable commercial cocoa farm, the world's single largest. The model builds on Mondelez International's experience with the company's signature sustainable sourcing program, Cocoa Life, and on OFI's ambition for sustainable cocoa, Cocoa Compass, to test a scalable approach for the future of commercial cocoa farming. From sensors in fields to irrigation systems, the project will use advanced climate smart and plant science technology. (**Development 21**)

OFI acquires US leading spice and seasoning manufacturer

- Olam Food Ingredients (OFI) will acquire Olde Thompson, a leading US private label spices, seasonings manufacturer, baking ingredients and spice-related housewares at an Enterprise Value (EV) of US\$950 million. Established in 1944, Olde Thompson has led and benefited from the increased penetration of private label in the spices and seasonings, as well as the growing demand for healthy, natural, organic, clean-label spices and ethnic, savoury flavours'(..)





Olam Developments (2/2)



(..) This transaction, after a 15 years collaboration between the two companies, combines Olam strengths in global origination and sustainable supply chains, with Olde Thompson's capabilities in providing retail spice solutions to many major US retailers. This is aligned with OFI's vision and accelerates its growth strategy of delivering sustainable, natural, value-added food and beverage ingredients and solutions. ([Development 22](#)).

Saudi flour milling business from SAGO awarded to Olam consortium

- Olam International Limited, the Agribusiness side of Olam, together with the Saudis on National Agricultural Development Company, Al Rajhi International, Abdul Aziz Al Ajlan Sons, has been awarded the bid to acquire one of the two flour milling companies offered for privatisation by the Saudi Grains Organization. Olam intends to participate as a technical partner with a minority stake in the Transaction. ([Development 23](#))

LAST MINUTE - OFI Listing in London in H1 2022

- Olam International Limited announces Olam Food Ingredients' intention to seek primary listing in H1 2022 on the London Stock Exchange, with concurrent listing in Singapore ([Development 24](#))





Viterrra Developments



Saskatchewan Canola Crushing

- Viterrra intend to build a world class canola crushing facility in Regina, Saskatchewan, with an initial targeted annual crush capacity of 2.5 million metric tonnes, which would make it the world's largest integrated canola crush facility. Oilseed crush demand is expected to continue strengthening in the long term, given continued demand growth for canola oil in food usage, as well as increases in meal consumption in animal feed markets. Additionally, this plant will play a key role in supplying the feed stock required for renewable fuel production. The additional production is vital to support the Federal Government's intended Clean Fuel Standard, which aims to help reduce Canada's greenhouse gas emissions. The plant is targeted to be operational in late 2024.
(Development 25)





Wilmar Developments



Different 2020/21 Strategic developments

As illustrated in Wilmar 2020 annual result presentation, during 2020/21 Wilmar has executed a significant number of new strategic and investment actions, particularly CAPEX additions, but also Joint Ventures, across its different operating sectors in China, India, Indonesia, Malaysia and Vietnam. In particular, the products involved have been: palm, both at plantations and manufacturing level, oilseed and soybean crushing, edible oil, flour, rice, sugar, ethanol, grains. In October 2020, Wilmar has successfully listed its Chinese operation at the Shenzhen Stock Exchange ChiNext Board (Development 26, see slides 10-12 & 15-16)





Who we are



- Cropfield Consulting Limited, 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 Corporate Finance, University of Venice (Italy)
- Large network of senior subject matter experts available on demand
- www.cropfieldconsulting.com





What we do in Agribusiness & Food

- 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





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