



Food for thought

A regular look across food, beverage and agribusiness supply chains

Spring 2025

02 | After the boom: how agri investors are reshaping strategies in a harder market

08 | Pet food boom: feeding the four-legged family member

13 | Big food, bigger deals: why M&A is roaring back in FBA

17 | Chicken run: why poultry keeps winning

After the boom: how agri investors are reshaping strategies in a harder market



Overview

- Agri investment now goes beyond farmland to whole supply chains.
- Rising costs and flat land prices are pressuring returns.
- The focus is shifting to yield, resilience and ESG-linked income.

In 2008, the world woke up to a food crisis. Global grain supplies had quietly tightened, attracting little attention - until stockpiles collapsed and prices surged. Corn and soybeans were increasingly diverted into biofuel production, leading to concerns about “food versus fuel” and whether there would be enough grain to feed both people and energy markets. At the same time, rice reserves - critical for food security across much of Asia - fell to dangerously low levels. The price of rice tripled, while corn and wheat doubled, forcing governments to impose export bans and igniting food riots.

For institutional investors, this was more than a supply chain shock. It reframed agriculture as something far more significant than a traditional

commodity trade. Land, water and food were no longer simply production factors - they had become investable assets tied to long-term returns, resource scarcity and the shifting balance of global food security.

Seventeen years later, the agri investment landscape has transformed. What began as a niche allocation for a handful of early movers has become part of mainstream real asset strategies. By some estimates, global institutional exposure to agriculture - including land, water, infrastructure and natural capital - could exceed \$500 billion by 2030. This reflects a broader definition of agri assets, encompassing not just farmland but supply chain investments and environmental markets.

In 2025, the industry is entering a more complex phase. After more than a decade of land value appreciation and post-COVID commodity surges, conditions have tightened. Across many regions, farmland prices have plateaued. Input costs – from fertiliser to diesel to labour – remain structurally high. Commodity markets, once buoyed by post-pandemic demand, have come off their peaks. Investors are now facing thinner margins and increased volatility. The central question is no longer whether agriculture belongs in institutional portfolios but how to structure exposure when the easy gains have already been captured.

From early investment to the 2025 dilemma

Before 2008, agriculture was barely on the radar of most large institutional investors. A few Australian super funds and New Zealand vehicles held pastoral leases or cropping assets, although these were typically legacy holdings. Some United States university endowments, such as Harvard and Yale, included timberland or farmland in their portfolios for diversification. Private families and local investors often backed food businesses or held agricultural land directly. Earlier decades saw corporate ownership in agriculture – companies like Elders, Dalgety and CSR once owned extensive rural assets in Australia, while Cargill and Louis Dreyfus operated large-scale global trading and processing businesses. Large-scale capital flows from global financial institutions into farmland and food systems were rare prior to 2007–08.

That changed during the 2007–08 food price crisis. Biofuel mandates in the United States and Europe led to concerns about food versus fuel, as corn and soybean crops were diverted into ethanol production. Poor harvests in key grain-producing regions and historically low stock-to-use ratios, particularly for rice, pushed prices higher. The global food system revealed its fragility.

For investors, three facts stood out. Global food demand was structurally rising. Productive land was finite and under-owned by professional

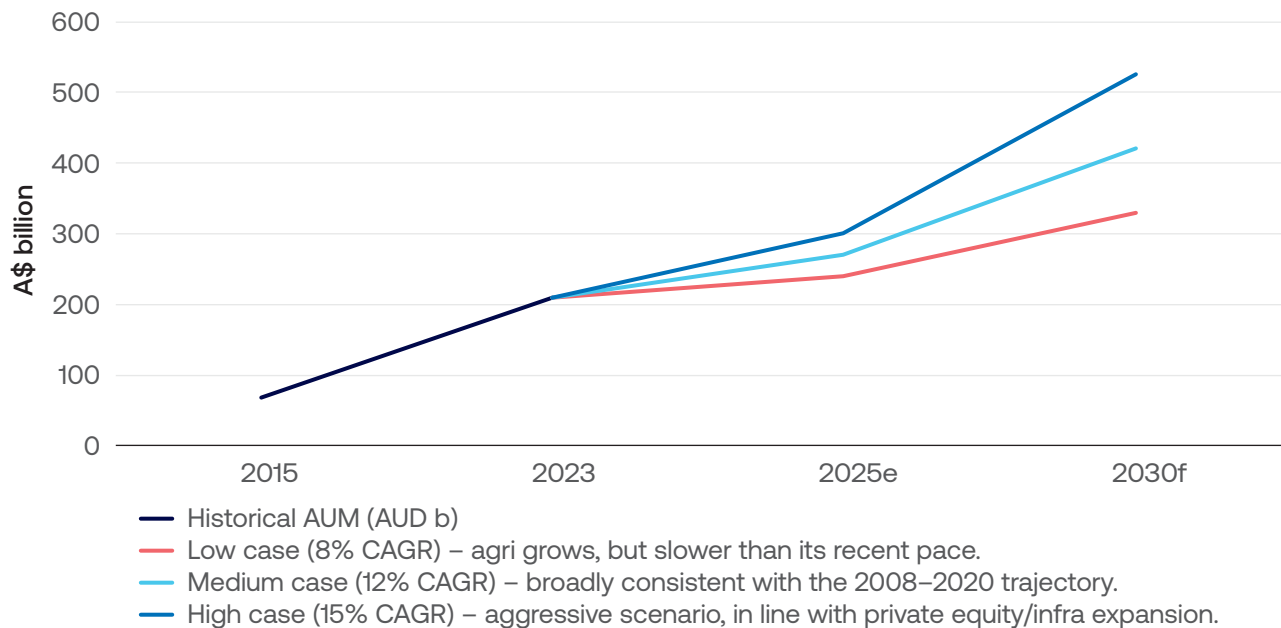
capital. Agriculture offered diversification from traditional asset classes, an inflation hedge and a physical asset base.

Between 2008 and 2013, global agri investment accelerated. Canadian pension funds like PSP (Public Sector Pension Investments) and the AIMCo (Alberta Investment Management Corporation), US-based TIAA (Teachers Insurance and Annuity Association of America) and Dutch pension funds like APG (Algemene Pensioen Groep) began acquiring large-scale cropping and grazing portfolios. Sovereign wealth funds from the Gulf and Asia followed. For these investors, food security was often as important as financial return. Entities like SALIC (Saudi Agricultural and Livestock Investment Company) and Temasek (Singapore) backed deals that provided supply chain access, particularly for protein and grain.

Private equity and family offices also entered. Some targeted permanent plantings – like almonds, macadamias or vineyards – that matched long-term fund lifecycles. Others pursued scalable cropping or pastoral assets in Australia, the United States or Latin America. Endowments like Harvard invested heavily in Brazilian farmland and California vineyards, though later retreated after governance challenges.

Australia became a global hotspot for agri investment. The attraction was clear: stable regulation, clean biosecurity status, counter-seasonal production and close ties to Asia. Between 2010 and 2022, broadacre land values rose by more than 220 percent. Major players moved in. Macquarie established Paraway Pastoral in 2007, creating one of the country's largest diversified grazing and cropping enterprises. PSP expanded its Australian agriculture portfolio separately, building significant holdings across cropping, livestock and permanent plantings. Water entitlements were bundled into many transactions, particularly in horticulture, where investors saw long-term value linked to reliable irrigation.

Institutional investment in agriculture – historical and projected growth



Source: Preqin, Valoral Advisers, ANZ

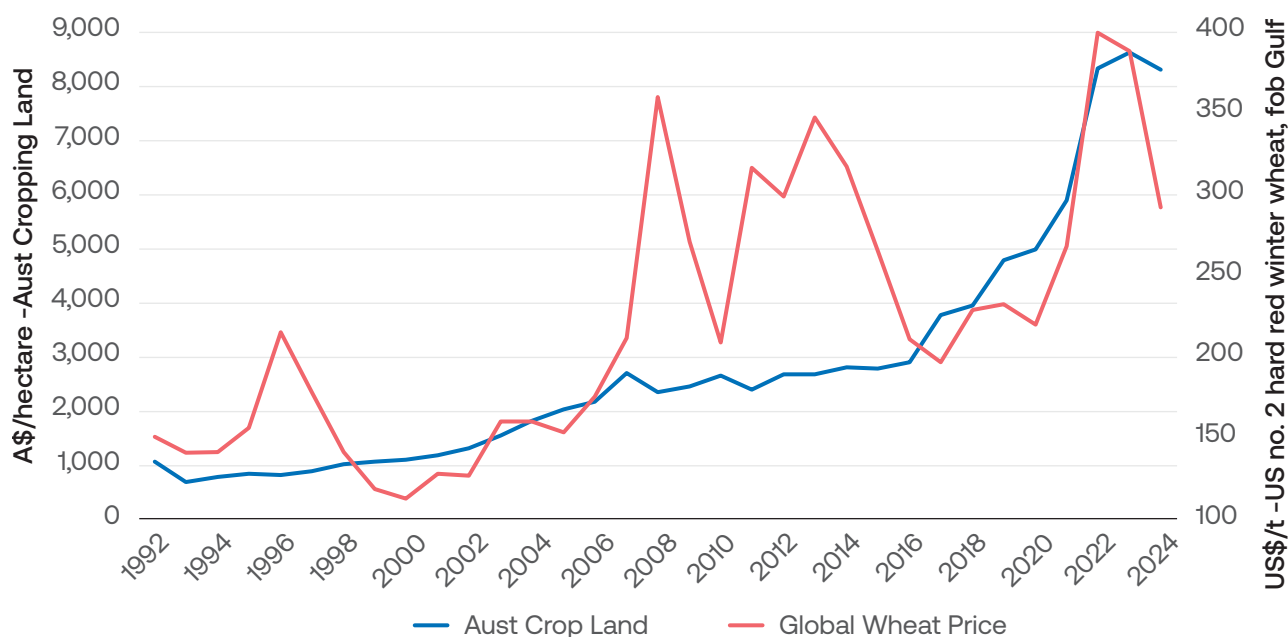
Farm consolidation accelerated. As Australia's farming population aged, many operators sold. Investors aggregated properties, converting grazing land to cropping, capturing productivity gains and valuation uplifts. For much of this period, the play was simple: buy assets, drive scale efficiencies and watch capital values rise.

By 2024, the landscape had shifted. After years of strong appreciation, land values in many regions plateaued, with recent sales delivering

only modest gains. Input costs remained high, as fertiliser and fuel prices failed to return to pre-COVID levels, and labour shortages drove up wages. Commodity prices also retreated. Wheat markets, after spiking due to the Ukraine conflict, stabilised and then fell by around 30 percent from 2022 highs. Beef prices softened, driven by the rebuilding of the United States cattle herd after drought-induced liquidation. Cotton and almonds, tied to global production cycles and discretionary spending, remained volatile.



Australian crop land price vs wheat price 1992 - 2025f



Source: ABARES, ANZ

For investors accustomed to rising land values and commodity tailwinds, the shift was clear. The focus moved from capital appreciation to yield, resilience and operational performance.

The new challenge is to build portfolios that perform in a world of tighter margins, climate variability and evolving consumer preferences.

Rethinking agri investment models

Institutional capital behaves differently across agriculture. Differences are driven by mandate, risk appetite, time horizon and public accountability. Pension funds, such as PSP or Australia's Aware Super, prioritise stable, inflation-linked income streams aligned with long-term liabilities. Many prefer leaseback models or co-investment partnerships, capturing land-linked yields without full operating risk.

Sovereign wealth funds, including ADIA (Abu Dhabi Investment Authority) and SALIC, operate under

dual mandates - financial return and strategic security. For many, securing strategic access to food supply chains is as important as profit. These funds often tolerate longer payback periods if the investment aligns with national food policy goals.

Family offices represent a diverse group. Some pursue regenerative agriculture or premium food exports for legacy objectives. Others focus on scalable cropping or horticulture, often linked to water entitlements.

Endowments, particularly in the United States, were early movers. Following the global financial crisis, institutions like Harvard invested heavily in Brazilian farmland, Californian vineyards and United States Midwest cropping. Some have since reduced exposure, particularly where social licence or governance risks became concerns.

Private equity (PE) takes a different approach. With shorter fund lifecycles - typically five to seven years - PE firms avoid pure land plays unless there is clear value-add potential. Instead, they invest in assets that generate margin growth through operational improvement, branding or market expansion. KKR's (Kohlberg Kravis Roberts) acquisition of poultry giant ProTen is an example.

Beyond farmland: building the whole system

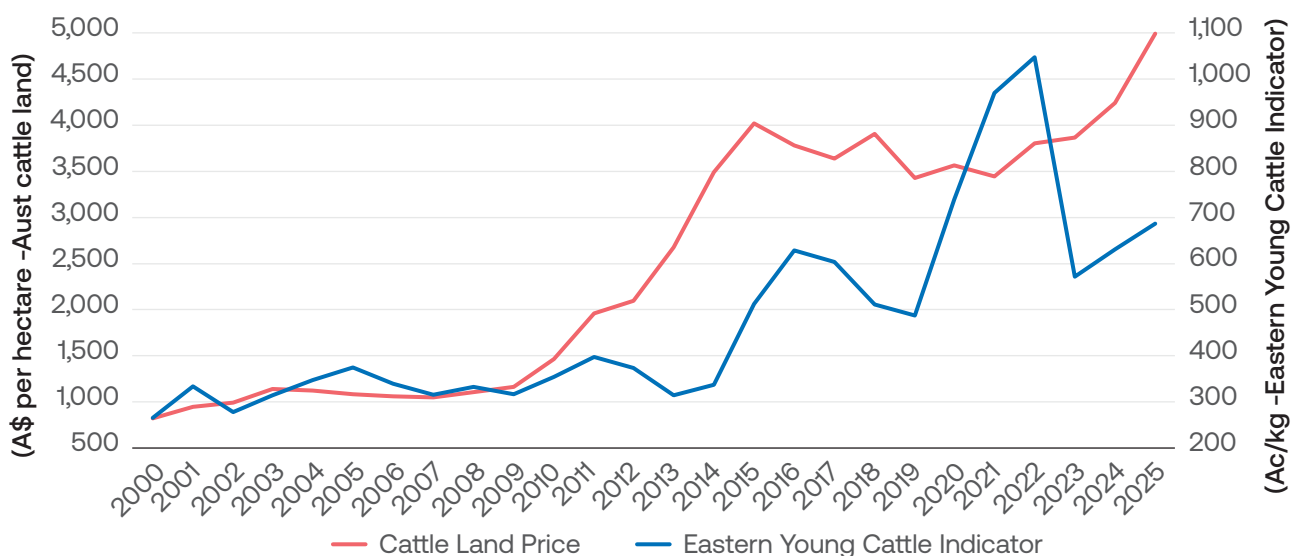
Agri portfolios are now broader. For many funds, the play is no longer just land - it is the whole system. Storage infrastructure, processing plants, cold chain logistics and water entitlements are now common in institutional portfolios. KKR's acquisition of ProTen was about securing a critical position in protein infrastructure. Tanarra Capital's purchase of Saputo's Australian fresh milk business, backed by Coles, was about securing private label dairy supply chains.

Investors are also expanding into natural capital markets. Carbon and biodiversity projects now offer new income streams that align with environmental, social and governance mandates

and sustainability commitments. On some Australian grazing properties, carbon credits already account for 10 to 15 percent of annual returns. Funds such as Warakirri have piloted biodiversity-linked credit projects, tapping into emerging markets driven by frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD), a global initiative that guides organisations in measuring, managing and reporting on nature-related risks and opportunities.

Some diversified agri platforms are now deploying up to 40 percent of new capital into downstream or adjacent assets - such as processing, storage, logistics and natural capital projects. This reflects a desire for supply chain control, reduced volatility and alignment with consumer-facing value capture.

Aust cattle farmland price vs cattle price 2000 - 2025f



Source: ABARES, MLA, ANZ

Australia's role and the path forward

Australia remains a premier destination for global agri capital, but challenges persist. Foreign pension funds, sovereign wealth entities and global asset managers remain active. In contrast, most Australian super funds have been cautious.

Despite managing over \$3.7 trillion, Australian super funds have limited direct exposure to agriculture. This reflects the difficulty of matching

large-scale capital to fragmented, often illiquid agri assets. Most super funds need to deploy hundreds of millions of dollars at a time into assets with stable, long-term returns and clear exit pathways - such as infrastructure projects with 20-year contracts or commercial property with secure lease agreements. Agriculture, especially farming operations, does not always meet these requirements due to seasonal volatility, operational complexity and less predictable exit options.

Liquidity is also a factor. Unlike infrastructure or real estate, which often come with long-term contracts, agricultural returns can fluctuate seasonally. This complicates long-term exposure for funds balancing member redemptions.

The debate over foreign ownership has also evolved. In the early 2010s, headlines focused on national sovereignty and food security. Today, the focus is more pragmatic. Most capital providers – foreign or domestic – operate through joint ventures or local management. The discussion has largely shifted from ownership to management quality and sustainability.

Questions remain about how to unlock domestic superannuation capital for agriculture. Some industry leaders, fund managers and policymakers have suggested shared investment models, where super funds partner with experienced farm operators or specialist managers to invest alongside each other, reducing risk and management burden. Others point to the growth of natural capital markets, where returns are linked to carbon or biodiversity rather than commodity cycles, as a way for Australian funds to participate with less exposure to agricultural volatility.



The ESG frontier: a new layer of complexity

ESG has become central to agri investment – not just for risk management, but as a source of returns. Carbon farming has grown rapidly, with Australia's Emissions Reduction Fund (a government-backed scheme that pays landholders for activities that reduce or store carbon emissions) supporting projects like soil carbon improvement, reforestation and avoided deforestation. The emerging Nature Repair Market (a new Australian program that enables landholders to generate and sell biodiversity credits for improving or protecting ecosystems) is also creating opportunities, although this market remains at an early stage.

Natural capital markets are still developing, with ongoing debates about how to measure credits accurately and ensure their integrity. For funds with net zero commitments, however, investing in carbon and biodiversity projects is increasingly seen as essential to meeting their climate and sustainability targets. The next step is to move beyond ESG reporting and fully integrate these factors into core asset management – embedding water efficiency, emissions tracking, biodiversity protection and community engagement into everyday agricultural operations.

What happens next?

Agri investing has matured from a growth story to a game of operational excellence and resilience. Arguably, the easy wins of land aggregation and capital gain have passed. The future depends on building strategies that deliver yield in a complex environment, adapt to climate risk and navigate a volatile food system.

The fundamentals remain. The world's population continues to grow, Asia's middle class is expanding and food security has become central to long-term investment strategies across supply chains.

For investors with the right capital and structure, agriculture still offers real returns – although the future of agri investing is no longer just about land – it is about managing the whole system.

Pet food boom: feeding the four-legged family member



Overview

- Pet food has become a premium global category – no longer just a commodity.
- Growth is driven by human-style trends: health, convenience and sustainability.
- Retailers and investors are expanding into food, vet care and personalised pet services.

How pets became premium customers – and why food, retail and investment strategies are shifting

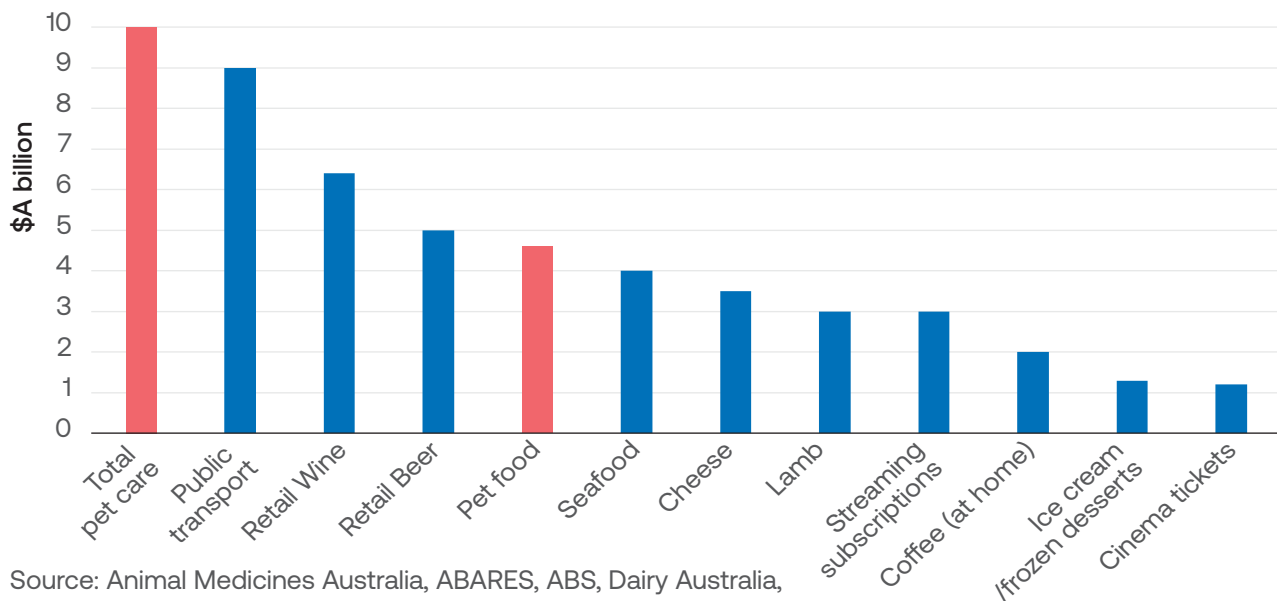
It may have started with a bone tossed to a wolf pup outside a cave. Humans have been feeding animals for thousands of years, but commercial pet food is a surprisingly modern invention. Over the past two decades pet food has evolved from a bulk commodity into a sophisticated consumer product – now competing with human food for shelf space, packaging design and brand loyalty.

In Australia, pet food is now a \$4.6 billion category – putting it ahead of national household spending on seafood, cheese or lamb. When

including veterinary services, insurance, grooming, accessories and supplements, total annual household pet spending exceeds \$10 billion. This is higher than total household expenditure on public transport

Globally, the pet food market alone is worth an estimated \$200–215 billion and continues to grow. The wider global pet care economy – including vet services and accessories – is valued at over \$385 billion. Growth is fuelled by rising incomes, smaller households and evolving attitudes to animals. Across many cultures, pets are now seen not just as companions – but as full-blown family members who have birthdays, social media profiles and personalised diets.

Comparative Australian total consumer spending (2023)



New business models are emerging. Subscription services now deliver raw or gently cooked meals, often with human-style names – think ‘Beef Hotpot for Benny’ or ‘Chicken Casserole à la Coco’. Recyclable packaging, breed-specific formulations and food labelled ‘human-grade’ are now part of everyday offerings. Brands are designing lines for single-person households, retirees and inner-city renters with handbag-sized dogs.

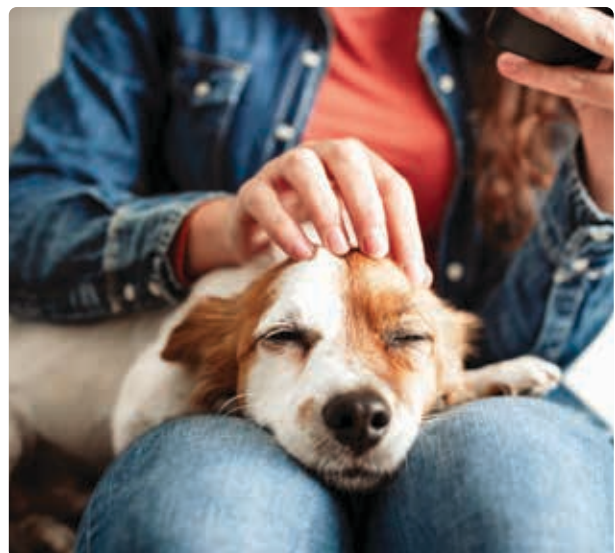
Pet food has gone from commodity to strategic category. Large food companies are developing specialised pet brands. Supermarkets and specialist retailers are dedicating more space to premium formats. Online businesses are building direct-to-consumer loyalty. Investors of all types – from supermarkets to private equity to family offices – are treating pet care as a defensive growth sector with emotional stickiness.

From pandemic to pet priority

COVID-19 didn’t create the pet economy – but it gave it a serious boost. Lockdowns drove a surge in pet adoptions across Australia and globally. Pet ownership in Australia jumped from 61 percent of households in 2019 to 69 percent by 2022. In the United States, it grew from 56 percent in 2010 to

70 percent by 2022. In China, pet ownership in major cities quadrupled between 2010 and 2020, driven by rising incomes, smaller households and a growing sense that pets are a lifestyle statement.

Spending followed. In the United States, pet owners spent \$216.3 billion in 2023 – including \$87.4 billion on food. In Australia, spending rose from \$12.2 billion in 2019 to \$14.5 billion in 2023. In Singapore, Seoul and Hong Kong, smaller pets and premium tastes have converged. In Shanghai or Shenzhen, owning a miniature poodle in a Burberry vest isn’t just cute – it’s a signal of upward mobility.



Some owners in China are known to spend more on imported pet food than on their own meals.

While some consumers have shifted to mid-range products or supermarket brands, overall spending remains strong. Pet food often remains one of the last items people are willing to cut – particularly for older animals or those with dietary needs.

Retailers have responded. Woolworths, Coles and Chemist Warehouse have expanded shelf space and online offerings. Bunnings has also entered the category, rolling out pet food and supplies nationally – aiming to capture cross-over spend from its DIY and outdoor shopper base. Specialist chains like Petbarn, PETstock and PetO offer food, vet care, grooming and insurance – building ‘whole of life’ offerings around the household pet.

More than a dog's dinner

Dog and cat food account for around 95 percent of Australia's pet food market – but the ecosystem stretches much further. Across the country, many households care for birds, rabbits, guinea pigs, turtles, reptiles and aquarium fish. That demand supports everything from seed mixes and frozen krill blocks to freeze-dried mealworms and nutrient gels for exotic reptiles.

There are more pet fish in Australia than dogs (one 2022 survey estimated that there were 6.4 million pet dogs vs 11.3 million pet fish – albeit that four times as many households owned dogs). Many apartment dwellers and renters are also choosing birds or rabbits as low-space companions. Some premium stores now offer tailored lines for parrots, axolotls or bearded dragons – a big shift from the days when a generic seed mix was expected to feed everything from a budgie to a rabbit.

Globally, demand for non-traditional pets is rising, particularly in urban centres. In the United States and parts of Europe, reptile and amphibian ownership has surged, while premium aquarium products are now a significant segment in markets like Japan, Germany and China.

Premiumisation in the bowl

Today's pet food shelves include chilled beef and broccoli medallions, goat milk probiotic toppers and air-dried salmon bites.

Consumers are applying their own dietary preferences – from grain-free to flexitarian – to their pets. In response, manufacturers are leaning into clean labels, high-protein ingredients and “natural” claims. Premium and super-premium products now make up over half of the pet food market by value.

Global growth, local behaviour

Pet food trends vary by region. In Singapore and Hong Kong, owners of small dogs and cats value convenience and quality – and spend heavily on premium imports. In Japan, older pet owners often seek food that supports joint health or easy digestion. In China, demand for imported products is soaring – tied to food safety confidence and lifestyle image.

In the US, the market is booming with formats like freeze-dried raw food and DNA-personalised meal plans. In Germany and Northern Europe, sustainability dominates – including recyclable packaging, carbon-conscious sourcing and interest in insect-based proteins.

Each market offers different lessons – and different export opportunities. Australia's reputation for clean supply, traceability and novel proteins gives it a strong export foundation.



What's in the bowl

Pet food ingredients are a snapshot of Australian agriculture. Rendered beef, lamb and poultry along with cereals such as sorghum and oats, form the base of most kibble – the dry, biscuit-style food that fills supermarket shelves.

Sorghum is a standout. Increasingly used in Chinese pet food, it offers a non-GMO, hypoallergenic and digestible grain base. Its rise in value-added markets reflects how agricultural exports are shifting from bulk feedlots to boutique pet bowls.

Meat processors are also becoming more sophisticated in how they capture value. Chicken companies are using by-products such as feathers – which, when hydrolysed, become a high-protein ingredient for some specialty feeds. Beef processors are investing in rendering plants that maximise returns from the whole animal, transforming what were once waste streams into high-margin inputs for the pet food sector.

Innovation is expanding rapidly. Australian brands are adding insect protein (BuggyBix), algae, flaxseed, chickpeas and even kangaroo to premium blends. Subscription players like Lyka deliver cooked-to-order meals packed based on the pet's profile. These services invest in refrigerated warehousing, biodegradable packaging and systems that customise orders meal by meal.

Export edge

Australia exported around A\$230 million in pet food in 2023–24. Leading products include kangaroo, goat, lamb and wild-caught fish – often marketed as hypoallergenic or exotic.

What sells isn't just what's in the packet – but the story on the label. Australian pet food is associated with safety, sustainability and transparency. Regulators demand it, but consumers expect it. Importers in Asia, the Gulf and Europe are asking

more questions about emissions, animal welfare and additive use – and rewarding those who can deliver certified answers.

Investment appetite

Pet care is now on the radar for capital investors. Quadrant Private Equity's acquisition of The Real Pet Food Company – home to Nature's Gift and Ivory Coat – was driven by its brand strength, premium position and export upside. Quadrant later sold the business to a consortium including Singapore's Temasek and China's New Hope Group – underscoring the global appetite for premium pet food platforms.

Retail-vet chains are also in play. Greencross is backed by TPG Capital. PETstock is now majority-owned by Woolworths. These businesses blend multiple revenue streams – food, vet care, insurance and grooming – in a bundled relationship model that creates loyalty and lifetime value.

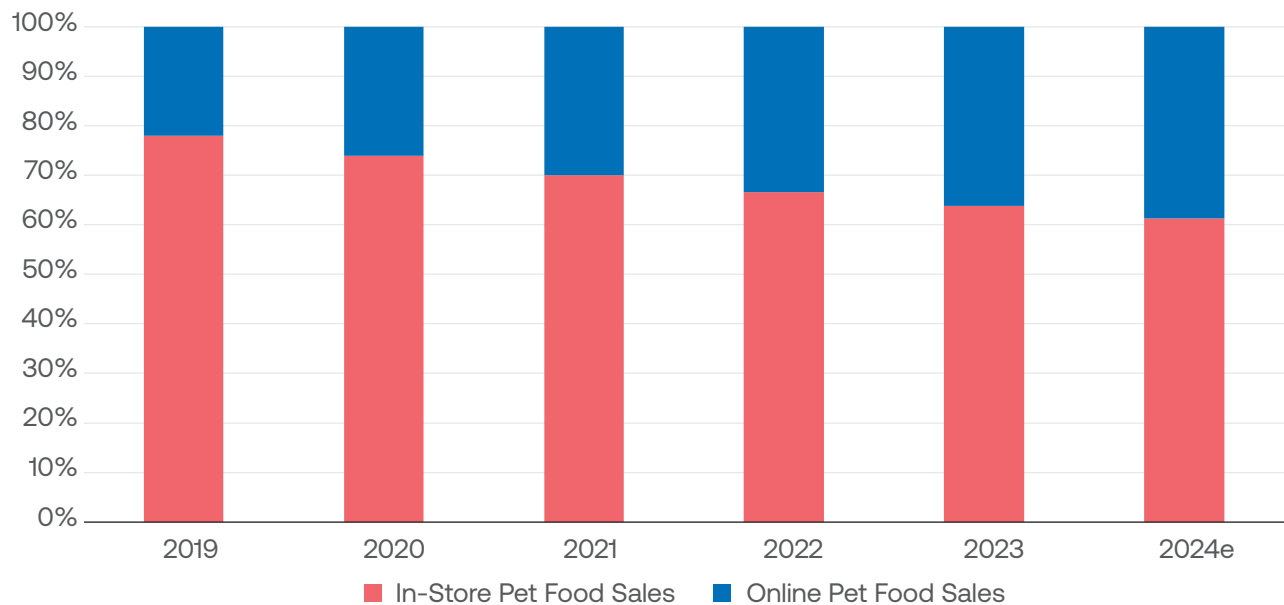
Globally, brands like Mars, Nestlé and General Mills are doubling down on pet food, with Mars expanding into veterinary diagnostics with its purchase of Heska in 2023. In China, companies like Xiaopei are integrating feeders, wearables and mobile apps to monitor sleep, appetite and exercise.

Growth with complexity

The sector's momentum comes with growing challenges. Sustainability demands are rising – from packaging and sourcing to emissions data. Fresh and frozen products require better cold chains and risk management. If temperature control fails, so does the brand.

At the same time, entry costs remain high. Shelf space in supermarkets like Coles and Woolworths is heavily contested. New entrants face steep competition for premium placement and need to invest in marketing, logistics and distribution partnerships to reach consumers at scale.

Australian petfood sales – online vs retail 2019 – 2024e



Source: IBISWorld, ANZ

Channel competition – the battle between different types of retailers and platforms to reach the same customer – is intensifying across pet care. Supermarkets are moving upmarket with premium private-label pet foods. Online platforms are building direct-to-consumer ecosystems with auto-delivery, custom diets and slick user experiences. Specialist chains such as Petbarn and PETstock are integrating food, vet care, grooming and insurance under one roof to create stickier relationships.

Regulation is evolving too. Australia is reviewing its voluntary standards for pet food safety and labelling. Export markets such as China and the European Union are increasing compliance requirements around traceability and product integrity.

Consumers are changing quickly. Many younger households expect food to reflect their values – from sustainability and nutrition to ethical sourcing. Some want vegetarian options for their dogs. Others are asking for personalised gut-health formulas for their cats.

The tail end

It used to be a side aisle in the supermarket – or a way to get rid of trimmings. Today, pet food is where brand strategies are built, margins grow, and consumers make emotional decisions.

Behind every 1kg bag of dry food is a supply chain linking Australian meat processors to Asian e-commerce sites and eco-labelling platforms. Pet food is no longer about leftovers – it's about lifestyles.

It's where agriculture meets wellness. Where dog snacks come with dietary guidance. Where the supermarket shelf is just one touchpoint in a 15-year customer relationship.

For investors, retailers and agribusinesses, this is a bowl with bite – and it's not slowing down.

Big food, bigger deals: why M&A is roaring back in FBA



Overview

- Food, beverage and agri M&A is accelerating after a quieter period.
- Deals are shifting from scale to control – targeting supply chains and strategic assets.
- Private equity, corporates and offshore buyers are reshaping the market.

Why M&A is back on the menu

Australia's largest contract chicken grower has just been acquired by a global private equity powerhouse. One of the world's top grain traders has completed a mega-merger with a rival, reshaping global export flows while consolidating control of essential infrastructure. A multinational food company has taken full ownership of one of the country's biggest beef processors. These are not isolated events. They reflect a broader resurgence in mergers and acquisitions across food, beverage and agribusiness (FBA).

After a quieter period marked by rising interest rates and cost uncertainty, deal activity is picking up. ANZ analysis suggests that FBA transactions in

Australia rose in the year to May 2025, with notable strength in mid-sized deals involving processing, logistics and supply platforms. Globally, deal activity has also shown signs of recovery, though patterns vary by region and sector – with North America seeing renewed private equity interest and Asia focusing more on cold chain and protein assets.

What has changed is the logic. Buyers are no longer chasing scale for its own sake. They are seeking practical control – of supply, of infrastructure, of cost and of access to markets.

From grain to beef: dealmaking with purpose

In July 2025, United States agribusiness giant Bunge completed its merger with Viterro in a deal worth around A\$12.4 billion. This created one of the world's largest crop trading and oilseed processing companies. In Australia, it gave Bunge greater control of South Australia's bulk grain network, including port and storage assets critical to exports.

In early 2025, Cargill acquired full ownership of Teys Australia, one of the country's largest beef processors. The move consolidated its Australian operations across feedlots, abattoirs and export channels. Rather than simply increasing size, Cargill gained end-to-end control in a supply chain where traceability, sustainability and logistics are becoming more commercially critical.

Why deals are back

A combination of stabilising financial conditions, shifting consumer preferences and rising strategic pressures is driving the current wave of FBA M&A.

Although interest rates remain elevated, their relative stability has helped restore confidence. Buyers and lenders now have clearer visibility on financing costs, improving deal modelling and debt servicing assumptions – especially for capital-intensive sectors such as agribusiness.

Private equity is returning to the field. Pacific Equity Partners has continued expanding its position in chilled and frozen foods through Patties and Vesco. Quadrant Private Equity re-entered the prepared meals category with its investment in Lite n' Easy in 2024. KKR's 2025 acquisition of poultry producer ProTen – which operates more than 600 broiler sheds across four states – reflects growing interest in infrastructure-aligned agribusinesses.

Corporate buyers are repositioning their portfolios. Coles-backed Tanarra Capital acquired Saputo's Australian fresh milk operations in 2024, including the Devondale and Liddell's brands. The deal

deepened Coles' alignment with private label supply in chilled dairy – a segment where consistency, cost control and domestic sourcing are increasingly strategic.

JBS's 2021 acquisition of pork processor Rivalea expanded its footprint in Australian animal protein, allowing it to invest substantial capex to improve domestic pork supply chains and reinforcing its position in foodservice and export markets.

Consumer demand is also shaping deal focus. Wellness categories such as functional nutrition, gut health and premium pet food continue to expand.

Brands aligned with high-protein, clean-label or natural ingredient trends are attracting buyer interest – particularly where they offer export reach or pricing power.

Cross-border capital remains active. Japanese-owned NH Foods maintains a strong presence in beef processing, while Middle Eastern entities such as SALIC (Saudi Agricultural and Livestock Investment Company) and AD Ports Group have invested in Australian red meat and logistics platforms. Although some Gulf capital has recently pivoted toward Africa and South Asia, Australia remains attractive due to its production reliability, export access and stable regulation.

Who's buying – and why

Australia's FBA M&A landscape features an increasingly broad range of investors and acquirers – including private equity firms, corporates, family companies and offshore strategics.

One area of focus for private equity firms is mid-sized businesses with steady profits, growing demand in their product category, or valuable assets such as processing plants and logistics infrastructure that give them a competitive edge. Firms such as Pacific Equity Partners and Quadrant

are actively expanding in the prepared meals and chilled food sectors, while acquisitions like ProTen highlight the broader momentum across food-related assets.

Corporate buyers are using M&A to consolidate supply chain networks. Tanarra's dairy acquisition, backed by Coles, reflects retailer interest in production control. Perfection Fresh's acquisition of Rombola Family Farms in 2024 – expanding into Riverina citrus and table grapes – illustrates how succession planning and vertical integration can align.

At the farm gate, M&A has focused on permanent crops and horticulture. Assets such as almond and macadamia orchards attract capital because their production lifecycle matches long-term investment horizons. Ownership of water entitlements reduces the biggest operational risk and allows cropping and income models to be forecast with greater certainty.

Other transactions have targeted property-type conversion, shifting grazing land into cropping to capture valuation uplift. Consolidation of farming properties has also continued as Australia's ageing farming population takes the opportunity to sell. The question now is whether land values will keep rising – recent transactions in cattle assets suggest future growth may be limited, shifting the focus toward yield rather than capital gain.




Globally, similar dynamics are playing out. In the United States and Europe, M&A is being shaped by consumer demand for health, wellness and sustainability – leading to acquisitions in functional foods, plant-based proteins and clean-label brands. Nestlé Health Science and Unilever have both expanded through targeted acquisitions in collagen, gut health and hydration.

In Asia, buyers are focusing on food security, regional logistics and protein supply. Southeast Asian investors are active in cold storage, aquaculture and packaged food. Chinese companies have shown renewed interest in strategic assets that support outbound supply or foodservice channels.

Who owns what?

Australia's food, beverage and agribusiness landscape is deeply integrated into global supply chains. Many of the largest first-stage processing assets are now backed by international capital – reflecting Australia's status as a reliable producer in a globalised food system and a destination for long-term investment.

Main Sources of Capital in Australia's Secondary Agri-Industries

	Sugar	China, Singapore, Thailand, Belgium, Australia
	Cotton	Singapore, Europe, Canada, Australia
	Meat processing (beef & sheep)	Brazil, US, Japan, Australia, China
	Grains (handling/export)	Australia, US, Canada, China
	Salmon / aquaculture	Canada, Brazil, Australia, NZ, Japan
	Forestry / plantations	US, Canada, Australia, UK, Netherlands
	Farm inputs (rural merchandise)	Canada, Australia

At the same time, Australia remains home to a strong cohort of large family-owned businesses, co-operatives and industry-based marketers across food and meat processing, grain and cotton marketing, and horticulture.

These businesses continue to play a vital role in regional economies, succession transitions and supply chain diversity.

Valuations hold – selectively

Valuation multiples across food, beverage and agribusiness have eased since the 2021 highs – a period marked by low interest rates, abundant capital and strong investor demand for defensive, cash-generating assets. At the time, buyers were competing aggressively for resilient platforms, particularly those exposed to staple consumption or locked-in contracts.

While multiples have moderated, pricing remains solid in asset classes with stable cashflow, growth potential or export alignment.

It's important to note that current valuation ranges are based on a limited number of publicly disclosed transactions, supported by ANZ's analysis of recent deal activity and broader market reporting. They are indicative, not definitive – and should be interpreted as a general guide, not a benchmark. Actual deal values can vary significantly depending on asset quality, strategic interest and buyer synergies.

Disclosed deals suggest that:

Sector	Typical EBITDA Multiple
Premium pet food	12–14 times
Functional wellness (gut health, collagen)	9–11 times
Grain logistics	6–8 times
Red meat processors	4–6 times
Contract manufacturers	5–7 times

Across all segments, businesses that combine brand value with operational control are drawing the strongest buyer interest. That includes chilled food companies that manage their own warehousing and distribution, or processors with export-accredited cold chain infrastructure. In a more selective M&A environment, integration and reliability are often more valuable than simple headline scale.

What comes next

The next wave of deals is likely to focus on the middle market. Many large family businesses are now weighing retirement or succession options. Others are preparing for sale in a market where offshore capital remains active. This suggests further consolidation of single-site processors, secondary distribution and regional supply chains.

In parallel, more transactions will target technology, supply chain digitisation and sustainability. GrainCorp's 2022 acquisition of CropConnect, a digital trading platform, reflected rising interest in inventory optimisation and food traceability.

Expansion into offshore markets – particularly the United States, New Zealand and Asia – will also be part of the agenda.

Integration is the new growth

In earlier waves of food and agribusiness M&A, growth was often measured by physical footprint – more farms, more production, more brands on shelf. The focus now is more strategic. Recent transactions – including Bunge's merger with Viterro, Cargill's full acquisition of Teys, and KKR's purchase of ProTen – reflect a growing emphasis on integration and supply chain efficiency.

That control can take many forms – securing essential inputs, owning infrastructure that connects production to market, or reducing exposure to supply and cost disruptions in high-volume categories. Rather than chasing size for its own sake, buyers are targeting assets that improve resilience, integration and decision-making speed.

Across regions, a common thread is emerging: buyers want more visibility over how food is made, moved and delivered. Whether through infrastructure, brand ownership or vertical integration, M&A remains a way to de-risk operations and capture value in a changing global food system.

Chicken run: why poultry keeps winning



Overview

- Chicken is the one of the world's leading proteins – driven by cost, convenience and cultural fit.
- Growth has shifted from volume to value – with new cuts, formats and foodservice demand.
- Investors favour chicken for its scalability, efficiency and consistent returns.

How the bird took over the Australian plate

Chicken's rise to the top of Australia's meat hierarchy has been one of the most remarkable shifts in modern food history. Once a Sunday roast treat, chicken is now an everyday staple for millions of Australians. It has become so ubiquitous that it is hard to recall a time when beef and lamb dominated the nation's dinner tables.

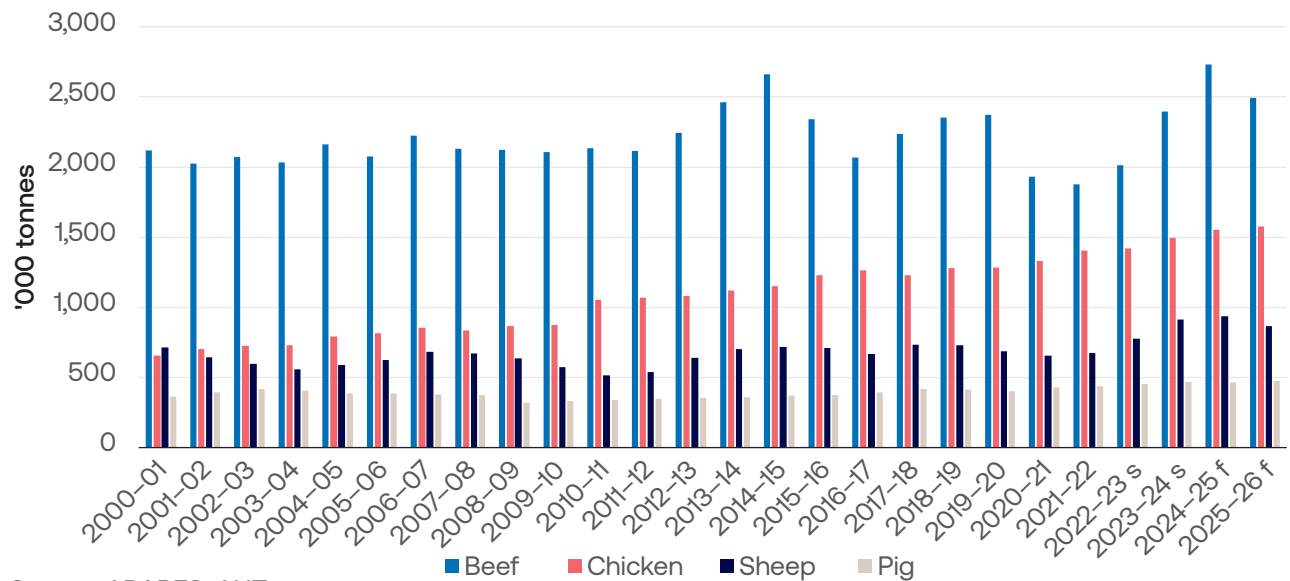
Back in 1975, the average Australian ate just 200 grams of chicken each week – little more than a single drumstick – while consuming over 1.3 kilograms of beef. By 2025, those numbers have flipped. Chicken now leads the pack, with the average Aussie consuming a full kilogram each week – roughly the size of a whole bird – and just 400 grams of beef.

This transformation has been shaped by economics, health, convenience and evolving preferences – not just in Australia, but increasingly around the world.

Over the past two decades, chicken has become cheaper, easier to prepare and better aligned with the way many people live, eat and shop.

It is adaptable, available in more forms and outlets than ever before and fits into almost any cuisine – from Southeast Asia to Southern Europe.

Australian meat production 2000/01 - 2024/25f



Source: ABARES, ANZ

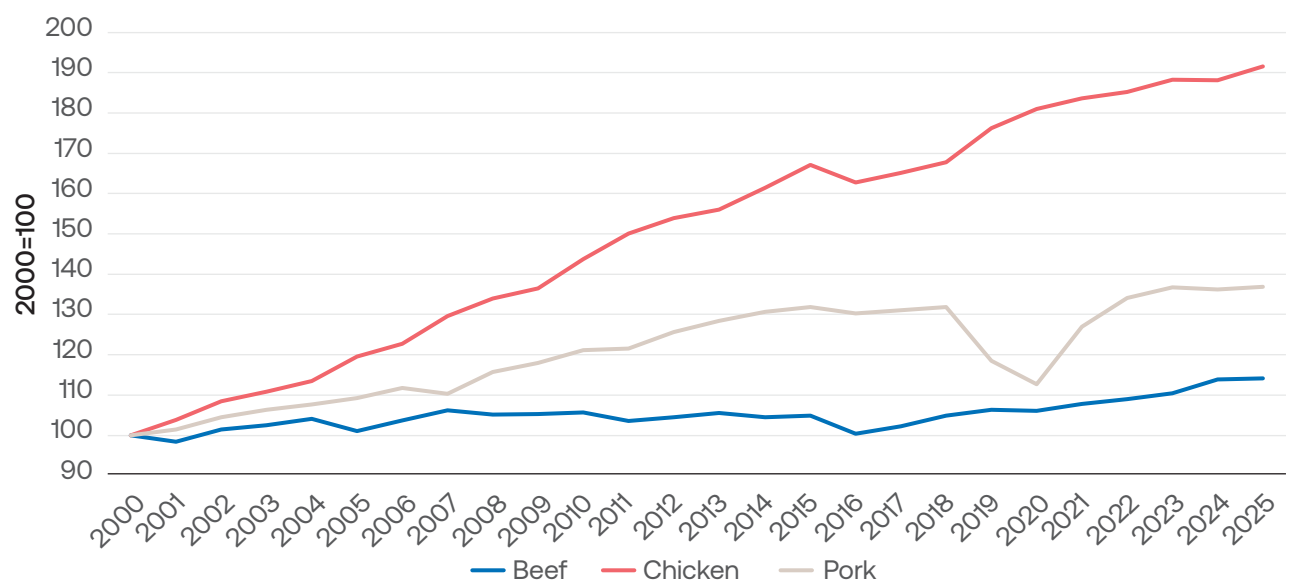
The efficiency story: why chicken wins on cost

At the core of chicken's rise lies a structural advantage in cost and efficiency over other forms of animal protein. Chickens require just 1.7 kilograms on average of feed to produce one kilogram of meat, compared to an average of 6 - 10 kilograms for beef. They can be raised and processed in under two months, allowing producers to respond

quickly to changes in demand, seasonal consumer preferences or shifts in input costs.

This translates into pricing and supply resilience. Since 2000, chicken prices in Australia have risen by just 36 percent, while lamb has soared by 182 percent and beef by 146 percent. In inflation-adjusted terms, chicken has become relatively cheaper over time – a trend seen in other markets such as the United States and the United Kingdom.

Global consumption growth of major meats 2000 - 2025f



Source: USDA, ANZ

Chicken production is also less exposed to land, labour and climate shocks compared to other livestock sectors. Vertical integration, from breeding to processing, allows companies to tightly manage costs, capture margins and smooth out market volatility. Most production and processing facilities, including farms, hatcheries and slaughterhouses, are located close to feed mills and distribution hubs, reducing logistics costs and improving supply chain control.

As a result, chicken offers a uniquely scalable protein platform. It combines short production cycles, relatively low infrastructure requirements and predictable cost structures – an attractive formula in any food system, especially in fast-growing or urbanising regions.

A domestic market – with selective exports

Unlike other Australian proteins, chicken is largely produced for the domestic market. Strict biosecurity controls limit imports of fresh poultry and protect local production from global disease risks, but they also shape Australia's role as an exporter. Most chicken exports are frozen rather than fresh, focused on by-products such as feet, wings and offal that have limited demand locally but strong value in overseas markets.

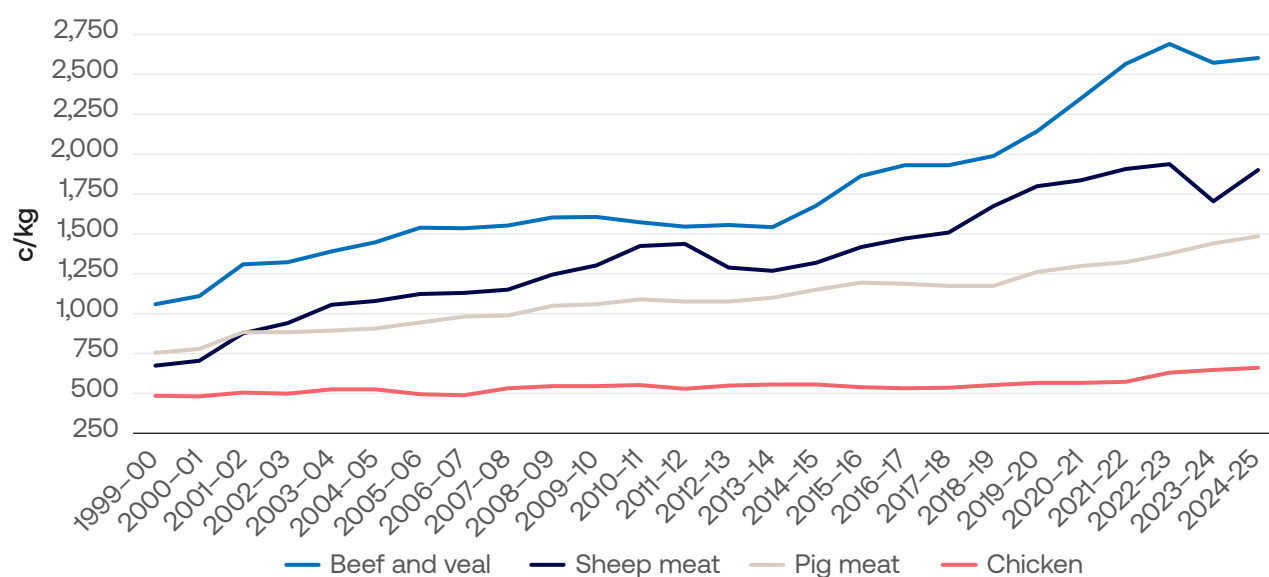
Australia's largest export destinations for chicken products are nearby regional partners, including Papua New Guinea (PNG). PNG has long been a key market for Australian frozen chicken, particularly for cuts not favoured by domestic consumers. Other markets include parts of the Pacific and occasional shipments to niche destinations in Asia.

Despite having the capacity to produce more, Australia has not developed large-scale chicken export channels for premium fresh or frozen fillets. This reflects a mix of factors, including strong domestic demand, high local input costs compared to global poultry giants like Brazil, and Australia's relatively high price point in world markets. For now, Australia's poultry sector remains primarily geared toward feeding local consumers, with targeted export growth focused on niche products and near neighbours.

Are we nearing peak chicken?

Between 2000 and 2010, Australians added an average of over 13 kilograms of chicken to their annual diets. From 2021 to 2024, however, the increase was barely one kilogram. While chicken remains the most consumed meat in Australia, per capita growth has clearly slowed.

Retail prices of Australian meat 1999/2000 – 2024/25



Source: ABS, MLA, ANZ

This has raised the question of whether Australia has reached ‘peak chicken’. However, a more detailed analysis suggests that while individual consumption levels may be plateauing, overall volume growth remains solid, largely driven by demographic expansion and market diversification.

Chicken’s role is shifting from rapid expansion to more strategic consolidation. In this phase, sustaining dominance means understanding consumer segments, evolving preferences and efficiency in production, processing and distribution systems – not just chasing growth in tonnes of meat, chicken burgers or frozen wings.

This same pattern is emerging in other mature markets, such as the United States and the United Kingdom, where per capita chicken consumption is also levelling out. In these regions, total demand is growing modestly, primarily through population gains and shifts in consumption channels – particularly the rise of foodservice formats and diversified ready-to-eat or value-added products such as pre-marinated cuts, oven-ready trays, chicken-based snack packs and meal kits.

In contrast, emerging economies like China, India and much of Southeast Asia are still well below ‘peak chicken’. In China, rising incomes, urbanisation and concerns over pork supply and food safety have helped poultry gain share, especially in processed and quick-service formats. In India, where beef and pork are less widely consumed, chicken is the fastest-growing meat protein, with gains across both traditional wet markets and modern retail. For global poultry players, these markets represent long-term opportunities not just in volume, but in tailored, culturally relevant value-added products.

The demographic engine: what’s driving new demand

In Australia, the story is no longer about individual consumption growth, but about population-driven volume. From 2022 to 2024, the nation’s population grew by nearly one million people, driven primarily

by net overseas migration. Per capita chicken consumption edged up only slightly – from 49.6 to 51.25 kilograms – but total demand surged.

This dynamic highlights the power of demographic tailwinds in a mature market. Chicken is broadly accepted across many cultural and religious groups, giving it a strong foothold in Australia’s increasingly diverse population. Migrants from India, China, the Middle East and Southeast Asia are more likely to choose chicken as their primary protein – whether by cultural preference, religious permissibility or dietary restriction.

As a result, chicken demand rises steadily with population, even if individuals aren’t eating more. For producers, retailers and investors, this creates a stable platform for planning – a protein that delivers volume growth without relying on changes in consumer behaviour. Chicken offers both consistency and scalability – a rare advantage in an otherwise volatile food system.

Changing cuts, changing kitchens

While total consumption growth is slowing, complexity within the category is increasing. Chicken thighs are gaining popularity over traditional breast fillets, favoured for their juiciness, flavour and suitability for slow-cooked dishes like curries, stir-fries and braised meals. Bone-in cuts are in demand among multicultural households, particularly for recipes such as tandoori chicken, chicken adobo or traditional soups and stews where bones enhance flavour and authenticity. These shifts reflect not just taste, but changing lifestyles, cooking techniques and cultural influences.

Food media and online influencers have accelerated the mainstream acceptance of diverse dishes and cuts. Cooking shows champion flavour-rich, slow-cooked meals. Recipe apps celebrate cost-effective bone-in options. Chicken’s neutral flavour profile allows it to absorb spices and sauces from a wide range of global cuisines, giving home cooks greater creative flexibility.

For producers and processors, this complexity requires more sophisticated segmentation – from cut-specific product development to culturally aligned marketing and retail formats. The chicken sector is no longer just about volume – it’s about the right product for the right consumer, in the right context.

Fast food, faster growth

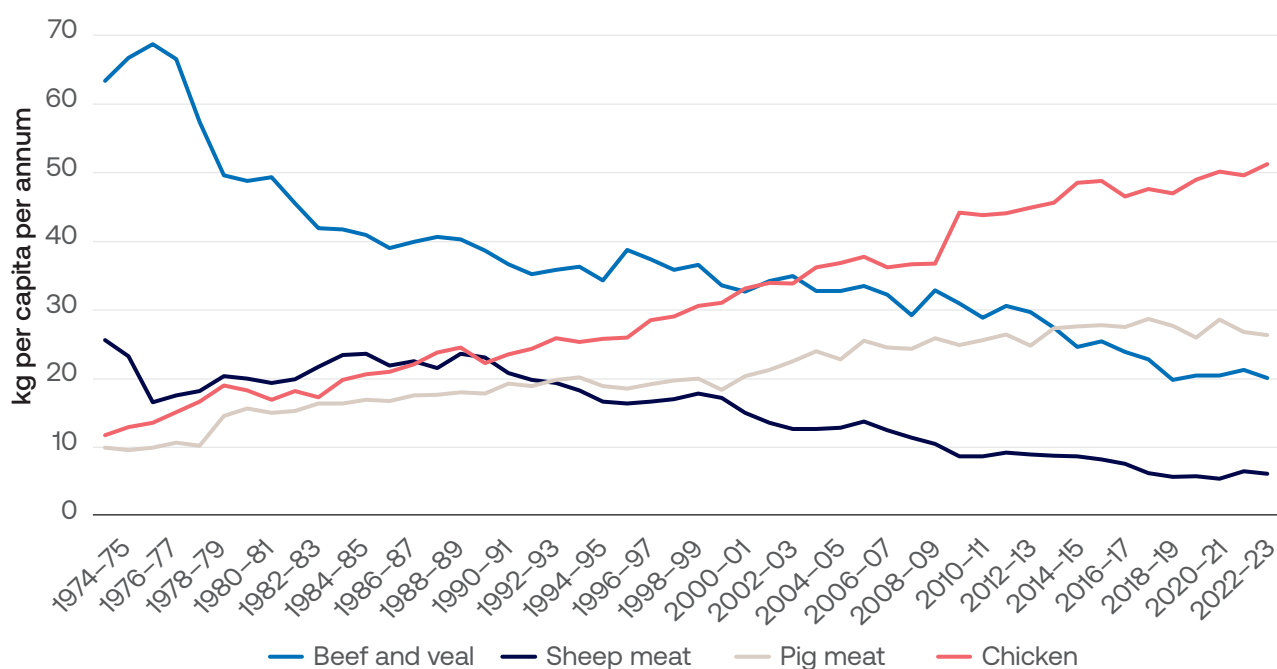
Chicken’s growth story is especially visible in quick service restaurants (QSR). Australians are eating more chicken in burgers, wings, wraps and tenders – with younger, multicultural and urban consumers driving much of this shift. New QSR entrants – including Korean-style chains and global brands expanding their chicken menus – are gaining traction, while long-established players like McDonald’s and Hungry Jack’s have significantly expanded their chicken offerings.

This shift in consumer habits is translating into serious market value. Chicken QSR sales in Australia are projected to exceed \$4 billion by 2032 – underscoring how food service, not retail, is becoming the main engine of growth.

Strategic investment is now flowing into format innovation (think Nashville hot chicken or Korean fried wings), as well as omnichannel models that integrate dine-in, takeaway, drive-through and delivery. Globally, this trend is accelerating. In the United States, McDonald’s and Taco Bell are redesigning menus to highlight chicken. Across Asia, international-style chicken chains are booming in places like Singapore and the Philippines. In India, McDonald’s has built its entire meat menu around chicken – with localised options like the McSpicy Chicken and Chicken Maharaja Mac.

For Australian chicken farmers and processors, this adds complexity. Supplying modern QSRs means more than just delivering volume; it means creating the right cut, marinade, portion size or prep method for the right outlet, consumer group or cuisine. Supermarkets are evolving too, offering products like Asian-style marinated drumsticks and halal-certified thigh fillets to meet rising demand. In this new phase, the challenge isn’t more chicken – it’s smarter chicken: the right format, for the right occasion, delivered through the right channel.

Australian meat consumption per capita 1974/75 - 2023/24



Source: ABS, ANZ

Why investors love chicken

Chicken is not just a consumer favourite – it has become one of the most sought-after assets in agribusiness investment. In 2024, global private equity firm KKR acquired ProTen, Australia's largest meat chicken farm operator, in a deal worth over \$600 million. ProTen produces about 20 percent of Australia's broiler chickens, supplying major processors and fast-food chains. The purchase marked one of the largest agricultural investments of the year, signalling how institutional investors view chicken production as a stable, scalable and resilient business with strong long-term returns.

This trend is not unique to Australia. Private equity firm TPG Capital acquired Ingham's from the Ingham family in 2013 for around \$880 million, later listing it on the ASX in 2016. Globally, Advent International has invested in Brazil's BRF, one of the world's largest poultry exporters. In Europe, CapVest Partners acquired Eight Fifty Food Group, consolidating protein assets including poultry processor Karro. In Asia, Affinity Equity Partners invested in South Korea's Harim Group, while in North America, Paine Schwartz Partners has focused on poultry-adjacent agribusinesses such as animal health and genetics firms that underpin the global chicken value chain.

Many of the same factors that drove chicken's dominance at the dinner table – short production cycles, supply chain control and consistent affordability – also underpin its appeal to investors. Chicken delivers:

- **Short cycle time** – Chickens grow from hatch to harvest in 5–7 weeks, allowing producers to quickly adjust to market shifts and generate more production cycles per year.
- **Low exposure to land volatility** – Chicken farms have compact footprints and are viable near urban centres.
- **Automated production** – Mechanised systems reduce labour reliance and improve consistency.
- **Biosecurity protection** – Import restrictions in countries like Australia limit competition from overseas.
- **Diversified demand** – Chicken is sold across supermarkets, fast food chains, restaurants and multicultural markets.
- **ESG-aligned** – Chicken production uses less land, water and feed than red meat and emits fewer greenhouse gases.

Together, these factors form a vertically integrated, high-turnover model that appeals to institutional investors. It's an investment opportunity which, like a perfectly prepared chicken laksa, offers richness, depth and wide appeal.

Conclusion: not less chicken – just a different chicken

Chicken's rise has been a defining shift in food systems around the world – from Australia to Asia, Europe and America. While its growth story is no longer just about bigger volumes, it is evolving into something even more dynamic.

What matters now is less about how much chicken is eaten, and more about how, where and why it is consumed:

- **How** chicken appears in an expanding range of products and formats – from bone-in cuts to spicy QSR wings, pre-cooked fillets or marinated thigh skewers.
- **Where** it is consumed keeps evolving – from supermarket shelves to delivery apps and global restaurant chains.
- **Why** chicken is chosen reflects broader motivations – health, convenience, affordability, cultural significance and sustainability.

This is no longer just a volume game. Chicken's next chapter is about agility – finding the right mix of products, formats and experiences to match the world's changing tastes. From peri-peri tenders in Lagos to lemongrass chicken bowls in Ho Chi Minh City and schnitzel wraps in suburban Brisbane, the chicken category is reinventing itself in real time.

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