

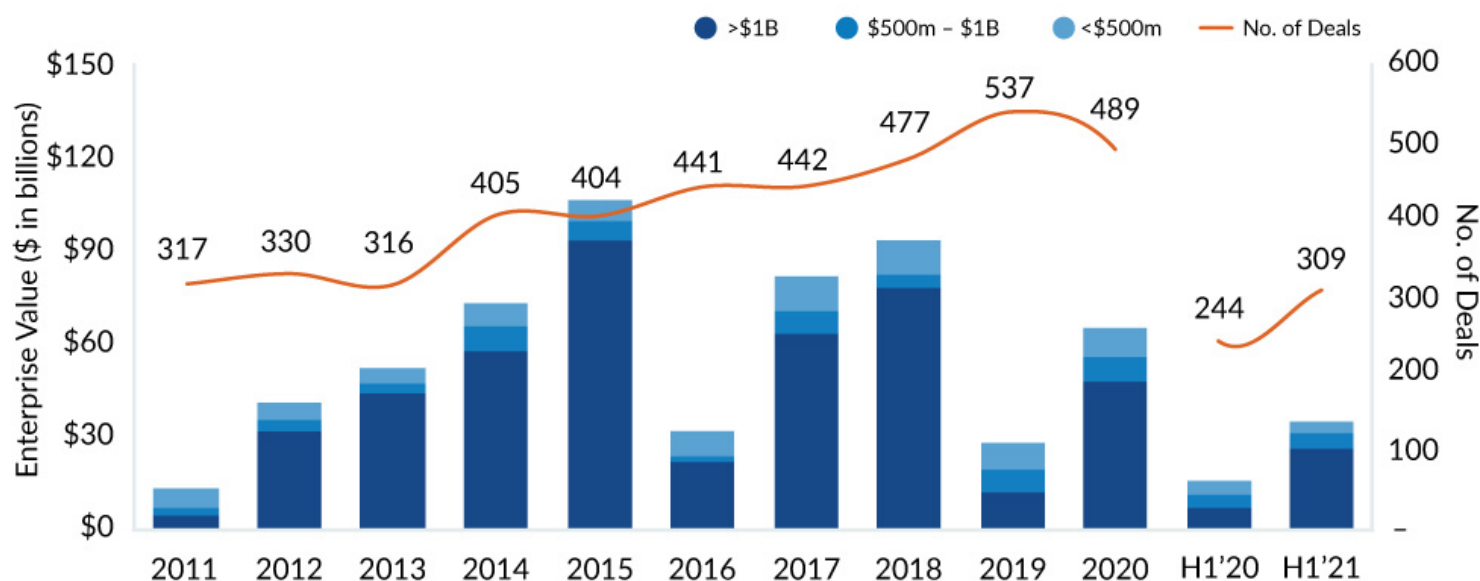
2021 Mid-Year Outlook: Food, Beverage & Agribusiness

Move towards normalcy

The first half of 2021 was characterized by continued resilience within the food, beverage and agribusiness (FB&A) industry, following a period of uncertainty through much of 2020. With more visibility on health and safety policies, changing consumer purchasing preferences and areas of sustainable growth, buyers and sellers have been adept at implementing strategic decisions to support their long-term growth plans. While certain foodservice operators struggled to regain their footing, most sub-sectors flourished—particularly those able to benefit from at-home dining and convenience trends—and took share in what appears to be an everchanging market with a strong long-term outlook.

US M&A momentum evidenced a temporary wait-and-see approach, with only three announced FB&A deals over \$1 billion during all of 2020, while, according to FactSet, there were 11 announced deals (US targets) valued at more than \$1 billion through June 30, 2021. Overall, US FB&A M&A volume hit a record during the first half of 2021 (309 deals), an increase of more than 26% during the same period in 2020. Valuations for quality deals remained at historically high levels, fueled by ongoing private equity fund raising, historically low interest rates and the specter of a Biden administration capital gains tax policy change taking effect in 2022.

CHART 1: US FOOD, BEVERAGE AND AGRIBUSINESS M&A VOLUME | 2011 – 1H2021



Source: FactSet as of June 30, 2021.

Food, Beverage and Agribusiness

2020 Mid-year review

Market trends summary

The first half of 2021 was characterized by continued resilience within the food, beverage and agribusiness ("FB&A") industry, following a period of uncertainty through much of 2020 with more stability in health and safety policies, changing consumer preferences and a return to sustainable growth. Factors and drivers have been a mix of supporting (COVID-19) drivers to support their long-term growth plans. While certain regulatory

US FDA continues to maintain a lenient view and an approach with any three announced FDA plans in the first half of 2021, while, according to the FDA, there were 11 announced FDA (FDA) changes in the first half of 2021. Overall, US FDA's view of the industry during the first half of 2021, while being an increase of more than 10% during the same period in 2020. Qualitative for quality data remained at historically high levels, leading to ongoing growth in the food and beverage sector. Interest rates and the price of a dollar-denominated asset (such as the price of a dollar-denominated asset) have been a mix of supporting (COVID-19) drivers to support their long-term growth plans.



Portrait of a man, likely a Mesirov analyst or executive.



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