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Agribusiness M&A: Insights from FOCUS Senior Advisor Sean Haynes

Combining more than 40 years of M&A advisory experience, FOCUS Investment Banking drives results for middle market clients across eleven coverage groups. With over 50 professionals, FOCUS boasts a nationwide footprint and access to foreign markets through 36 global partnerships.



Sean Haynes serves as a Senior Advisor at FOCUS and brings more than 20 years of expertise in agricultural finance, operations management, and strategic advisory to his role. He is the co-founder of Nova Asset Management, a company dedicated to farm management, agricultural asset management for investors, and direct farming of various row crops. Previously, he held leadership roles at Rabobank North America and Bank of the West.

In this interview, he answers questions about the current state of agribusiness M&A, segments attracting investor interest, and opportunities ahead.

You have experience from both sides of the fence, finance and farming. How does your background shape your view on what's happening in the agribusiness M&A market?

I tend to take things with a longer-range view and look at it from a risk perspective. For example, when I'm assessing an operation, I look at not only how it's done in the past three years, but also, based on my experience, what could go wrong and how this asset performs in those scenarios where things go wrong. I price accordingly when I'm looking for the buy side or the sell side.

Being in both finance and farming also helps me showcase an operation's ability to withstand key risks - water, price volatility, access to labor - all the things that shape the production ag space. That's given me a unique perspective.

Approaching things from a risk perspective translates across the food chain, too, and it's a similar set of questions. On the sell side, how do we show how the operation doesn't have unnecessary risk exposure? And on the buy side, how can we help a buyer avoid buying something without understanding what the risk is?

From your conversations in the banking world and on the ground with operators, what are people saying about the current environment?

In the current environment, everybody's sitting on the sidelines in production agriculture. Folks are waiting to see what's going to happen with things like water, where tariffs are going to land. You're seeing an exit of private equity and institutional investors. A lot of people are waiting for value buys on the asset side.

While challenging, the current environment is creating opportunities. Activity should heat up in the next year in certain industries where things have settled a bit, specifically cattle feeding operations, value buys in the California wine industry, beverage plays in the evolving alcohol segment (ciders, seltzers), and almond and pistachio farms. Consolidation is happening as well in irrigation tech/services and farm asset management/services. The stress will create opportunities to be strategic: acquire operations, gain scale, vertically integrate, capture profit that currently goes elsewhere.

There's a lot of activity in agricultural services, from water services to agtech, while M&A in the production agriculture segment has stagnated amid industry headwinds (e.g., commodity prices, tariffs, economic uncertainty). Many of the current deals happening in production ag are around distressed operations. Things could wake up next year as commodity markets settle, and some segments have regained profitability, like almonds. And, if land values stop dropping further, people will buy in.

**Do you think there's a gap between how farmers view value and how financial buyers price it?**

Yes. Farmers focus on asset value and not enough on enterprise value. A farmer will share how much land is worth per acre and what equipment comes with it, but not what the business looks like from a cash-flow and return perspective.

How would you describe current deal activity in U.S. agribusiness M&A?

There's a lot of private equity dry powder looking for a home. Agriculture is attractive because it doesn't go away and performs well long-term. But many investors aren't realistic about returns; they want 8% on crops that don't yield that.

There's growing interest but not a lot of understanding. Midwest agriculture is program-crop-focused and needs massive scale. The West Coast grows 220 crops, mostly high-value, non-subsidized. That creates opportunity for service businesses, like water treatment companies making 50% margins.

There's interest, but misunderstanding. Scale matters more than people think.

Which areas of agriculture are drawing the buyer interest?

Permanent crops consistently draw interest – they're high-value with limited global competition. That drives investment in related services such as drip irrigation, custom harvesters, equipment makers, or processors. Row crops, on the other hand, have more volatility.

There's also interest in vertically integrated niche crops, like strawberries - strong consumer demand and premium pricing, coupled with high efficiency, are appealing characteristics. There are number of players aging out and looking for an exit as well. Also, California offers a long growing season to catch longer price cycles, or recover from them in the same year. For example, prices have ranged from \$9/unit at high production season and now \$33/unit as we head into colder months.

What's driving pricing the most right now?

Everything matters, but water availability is huge and extremely understated.

In the western U.S., if you don't have two strong water sources, don't bother. District water can get cut by 65% in droughts. Banks are pulling out of California regions like Westlands due to water volatility.

Then there's the crop itself. Do you have processor contracts? Offtake agreements? Restrictions? There's also counterparty risk, which is becoming primary. Can you even sell your crop? To whom?

How much weight are buyers placing on technology adoption and/or or ESG factors when valuing agribusiness assets?

None, unless it affects the bottom line or meets a specific portfolio mandate. Efficiency matters.

If you're in the top 10–15% of operators in a segment, that drives value. Fancy tech means nothing unless it shows up in cash flow.



Who's buying right now?

Mainly private equity – Paine Schwartz, Granite Creek Capital Partners, Arable Capital Partners, and Benford Capital to name a few. Select institutional buyers, too, if something fits their portfolio. PE can move quickly and doesn't have the same risk-management constraints. Institutional investors have pulled back because returns don't beat bonds. Family offices are still active because they want ag exposure. Yet overall, activity is muted because everyone thinks they'll buy at a discount.

On the sell side, what's motivating owners to transact?

Generational transfer. The average operator age is early 60s and often with these family businesses, the next in line don't want to take over. Succession pressures are pushing owners to exit. To stay competitive, you need to grow 2–5% a year, which requires capital. Older operators don't want 20-year debt for new infrastructure like \$10 million dairy parlors. We're also seeing sectors, like beef, at peak market value, and sellers want to lock in a high EBITDA.

Many owners haven't thought about life after a sale, which causes hesitation and pullback. Identity is tied to the work... farmers say, "I am a rancher," not "I work as one." Helping them think about the next chapter makes selling easier. Much of our discussions revolve around what will you do with the money, and what will you do with yourself after.

Which subsectors or regions look best positioned for continued M&A activity?

West Coast and Pacific Northwest, because of crop mix and related service industries. The Midwest will struggle because of poor pricing environments driven by high competition and related price volatility from other parts of the world, plus the effects of tariffs that hit commodity crops harder. Also, program crops, like corn and soybeans, are more at risk from government policy and continued reliance on subsidized insurance or bail outs. The western seven states look strongest from production agriculture through early processing. Beyond that, branding and final processing, regionality matters less.

For owner-operators thinking about selling or raising capital, what's the smartest thing they can do right now to set themselves up for a strong outcome?

Have a very good set of books, don't make buyers hunt for data. Present operating results properly. Talk to experts about what's recurring, what's not, and how to present financials. And show the next 2–5 years clearly. Furthermore, understand what type of buyer you're dealing with: strategic, scale, first-time entrant. Identify your industry's success and failure factors and show how your operation mitigates them.

ABOUT FOCUS INVESTMENT BANKING

FOCUS Investment Banking's [Agribusiness and Food](#) team brings deep industry knowledge across agricultural products and services, food processing, value-added manufacturing, ingredient supply, and distribution. Whether you're looking to raise growth capital, explore a sale, acquire complementary operations, or restructure your business, FOCUS provides the experience, relationships, and industry perspective to guide you through a successful outcome. For more information on the Agribusiness M&A trends discussed in this article, please contact Sean Haynes at sean.haynes@focusbankers.com.