

## Insights

# September 2025 Market Update: Food, Beverage and Agribusiness

## Deal Activity Eases, Strategic Momentum Persists

There were 28 announced transactions (US targets) in September, down 9% from August, marking a modest pullback following several active months. Strategic buyers accounted for roughly 80% of activity, underscoring ongoing corporate appetite for consolidation, category adjacency and channel diversification. Financial sponsors remained active through add-on investments in value-added ingredients, functional food, and specialty distribution, where scale, formulation expertise and customer stickiness continue to support premium valuations. Sectors leading the way included packaged foods (36%) and restaurants (25%), both supported by durable consumer demand for convenience and every day offerings.

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September 2025
Mesirow

Monthly Market Update:  
Food, Beverage & Agribusiness

Mesirow All-Stock Equity Composite<sup>1</sup> -3.01%
Mesirow All-Grain Commodity Composite<sup>2</sup> -3.61%
S&P 500<sup>3</sup> 3.53%
NASDAQ Composite<sup>4</sup> 5.63%

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**Market Realities** - highlights the growing intersection of convenience retail and fast casual dining as operators seek to capture share of the "for-the-go" consumer occasion.

**Macro & Policy Developments**

Consumer sentiment fell to 81.1, according to the University of Michigan, reflecting near multi-year low and ongoing cost-of-living pressures, wage inflation and tariff uncertainty.

**Policy & Regulation** - On September 11, the House Committee released its House Our Children, healthy again report outlining recommendations to modernize US food and nutrition policy. Key proposals include:

- Phasing out petroleum-based diesel and moving the US to biofuels for chemical feedstocks
- Updating infant formula and companion feeding standards
- Revising the Dietary Guidelines for Americans to emphasize whole and minimally processed foods
- Reforming school rules and fun-for-days in schools
- Softening ultra-processed food and expanding fresh-up snack labeling requirements

It outlined three changes to school nutrition: streamlining and streamlining standards across the program and National School Nutrition, particularly among non-public schools on certified ingredients or processing rules.

**Headline Transactions, Roundups, and Potentially**

**Transaction Value:** \$497 million (US to NYM DDTDA, 1.4X NYM average)

**Headline:** Midwest offer of \$127.12 per share, a 47% premium to Potlatch's 90-day volume-weighted average price

**Strategic Returns:**

- Expands Potlatch's footprint and fast casual reach across 100+ states in 10 states
- Provides Potlatch with scale and capital to accelerate its 2025 unit growth plan


