

Insights

# December 2025 Market Update: Food, Beverage and Agribusiness

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December 2025
Mesirow

Monthly Market Update:  
Food, Beverage & Agribusiness

Mesirow All-Food Equity Composite <sup>1</sup>	-0.11%	S&P 500 <sup>2</sup>	-0.05%
Mesirow All-Grain Commodity Composite <sup>3</sup>	-4.91%	NASDAQ Composite <sup>4</sup>	-0.53%

December marked the close of a transitional year for middle market Food, Beverage & Agribusiness M&A. Activity slowed sequentially, as expected, but not from lack of interest. Instead, sellers and buyers largely chose discipline over velocity, deferring launches and final decisions until early 2026 amid improving, but still uneven market signals.

**Executive Summary** reported comprehensive statistics that were already well advanced in 2025. Q4, however, was particularly defined by ongoing strategic, tactical, and marketing underwriting frameworks for the year ahead. Notably, buyer engagement remained strong through the surface, particularly in segments with differentiated demand, pricing power, and strategic asset values.

**Market Expectations** continued to be optimistic. While broader market conditions remained mostly stable prior to year-end, with professional assets still in high growth mode, strong management teams, and robust margins continued to attract corporate interest. In many cases, the full sale path remained through structure rather than price, with earn-outs, seller notes, minority stakes, and contingent value mechanisms playing a greater role in bridging differing views on near-term growth and margin sustainability.

**Financing Conditions** improved incrementally through the year with some lenders showing increased comfort understanding stable businesses, particularly in food manufacturing, ingredients, distribution and small food agribusiness companies. That said, leverage remained conservative, and buyers continued to emphasize downside protection and covenant flexibility. Equity checks, as an asset class, remained modest, reflecting the importance of sponsor conviction and independent value creation.

**Sub-sector Perspectives** showed continued strength in businesses aligned with core food consumption and essential health themes, including value-added food manufacturing, specialty ingredients, dairy and emulsified distribution, pet food, and ag services tied to recurring demand. Conversely, assets with higher discretionary exposure or near-term margin volatility continued to face extended diligence and more measured buyer activity.

As we enter 2026, momentum is building. Boards and management committees are returning with clearer cost-of-capital assumptions and renewed appetite for buyers. The early year pipeline suggests a constructive outlook for well-positioned sellers, particularly those who manage early run-through processes and position their assets around resilience, not just growth.

In short, December closed the book on a year of evolution, but it also set the stage for a more active and decisive M&A environment ahead. Happy New Year!

1. Mesirow All-Food Equity Composite: Mesirow Food & Beverage M&A Index. 2. S&P 500: Standard & Poor's 500 Index. 3. Mesirow All-Grain Commodity Composite: Mesirow Grain & Agribusiness M&A Index. 4. NASDAQ Composite: NASDAQ Composite Index. All data as of December 31, 2025. All data is preliminary and subject to change. All data is for informational purposes only and does not constitute an offer or recommendation to buy or sell any security. All data is for informational purposes only and does not constitute an offer or recommendation to buy or sell any security.