

January 2026 Market Update: Food, Beverage and Agribusiness

US middle market M&A activity across food, beverage, and agribusiness opened 2026 with renewed momentum. January recorded 35 announced transactions, representing a +6% increase versus December, with just under \$1 billion in disclosed deal value. Activity largely reflected the clearing of late-2025 deals rather than a broad shift in buyer selectivity. The University of Michigan Consumer Sentiment Index increased 3.5 points to 56.4, signaling improving macro confidence entering the year.

Market observations

- Valuations for high quality assets remained elevated with average LTM EV/EBITDA multiples across all food sub-sectors (excl. restaurants and retail) approximating 13.5x vs. 12.7x one year ago
- Strategic buyers continued to emphasize synergy-adjusted returns to support pricing discipline
- Corporate carve-outs and sponsor exits remained a meaningful source of deal flow

Financing conditions improved incrementally following late-2025 Federal Reserve rate cuts and tighter credit spreads, supporting deal activity for both sponsor-backed and strategic acquirers without a material expansion in leverage tolerance.

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