

Insights

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.

[CONTINUE READING](#)

January 2026

Mesirow

Monthly Market Update:
Food, Beverage & Agribusiness

Mesirow All-Food Equity Composite¹ 1.74%

S&P 500² 1.37%

Mesirow All-Grain Commodity Composite³ 1.66%

NASDAQ Composite⁴ 0.95%

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 the average LTM EV/EBITDA multiple 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.

Notable transactions

- **Smithfield Foods** (S&P 500) acquired **Hydrex** (NASDAQ), a 100% organic, ethically sourced, and sustainably produced meat and poultry processing company, expanding its portfolio of high-quality protein products.
- **Unilever** (NYSE) acquired **Unilever Food Solutions** (NYSE), a leading provider of foodservice solutions, strengthening its presence in the foodservice market.
- **Archer-Daniels-Midland** (NYSE) announced a strategic partnership with **Archer-Daniels-Midland** (NYSE) to develop and commercialize sustainable aviation fuel (SAF) technology.

Emerging transaction themes

- Increased interest in specialty ingredients and formulation development
- Vertical integration strategies across protein, prepared and animal feed segments
- Continued focus on authentic brands with demonstrated consumer loyalty and cultural resonance
- Channel diversification as a strategic focus, with focus on e-commerce, foodservice, and retail

Looking ahead

The outlook for Q1 remains constructive. Buyers are expected to remain active across M&A opportunities and strategic partnerships, while sellers continue to explore exit options. The market is expected to remain active in the months ahead.

1. Mesirow All-Food Equity Composite: A market index of publicly traded food, beverage, and agribusiness companies. 2. S&P 500: A market index of publicly traded US companies. 3. Mesirow All-Grain Commodity Composite: A market index of publicly traded grain and commodity companies. 4. NASDAQ Composite: A market index of publicly traded US companies. All data as of January 31, 2026. All data is subject to change without notice. © 2026 Mesirow & Co. All rights reserved.