

Paine & Partners' Fund IV acquires major UK-based agri group Spearhead Int'l

1 Jul 2015



Paine & Partners, a San Mateo, California-based private equity investment firm specialising in the food and agribusiness sectors, has acquired UK-based Spearhead International, one of the European Union's largest agricultural producers.

Details of the deal, including the price that Paine & Partners is paying, were not disclosed.

The acquisition was described as the first to be made through Paine & Partners' newest fund, its \$893m Paine & Partners Fund IV, which is solely dedicated to agribusiness investing.

As reported, that fund was oversubscribed when it closed in January, when it was said to be the biggest-ever dedicated food and agriculture private equity vehicle yet created.

Ex-Syngenta COO appointed

As part of the acquisition, John Atkin, a former chief operating officer of Syngenta, will take over as chairman of Spearhead upon the deal's closing. The rest of Spearhead's existing management team will remain in place to continue to oversee the day-to-day running of the company, Paine & Partners said in a statement announcing the acquisition.

Syngenta is a major Swiss agribusiness that produces agro-chemicals and seeds, and is currently being pursued for acquisition by Monsanto.

Headquartered in Cambridge, Spearhead International is privately held. It has farming operations on approximately 85,000 hectares of agricultural land in Poland, the Czech Republic, the United Kingdom, Romania and Slovakia, Paine & Partners said.

Among the products produced on its land are grains and oilseeds, potatoes and vegetables, sugar beets, seed crops, milk and livestock.

In recent years, Spearhead has expanded into the upstream and downstream agricultural sector, including seed production and supply chain management, giving it a competitively advantageous vertically-integrated structure, Paine & Partners said.

News of the deal comes two days after AltAssets reported that Paine & Partners was exiting Icicle Holdings, a Seattle-based diversified seafood company, after owning it since 2007. Terms of that transaction also weren't given.

David Buckeridge, operating partner at Paine & Partners, said Spearhead's management had built the company over the past 50 years into "a differentiated business that is well-positioned for future growth", and noted that P&P saw "significant high-return expansion opportunities" across Spearhead's vertically integrated operations. These, he noted, also offered the potential for "knowledge and product synergies" from other companies in Paine & Partners' food and agribusiness portfolio.

Paine & Partners was founded in 2006 by W. Dexter Paine, who had previously founded another investment firm, Fox Paine & Co. Including the assets of this previous entity, it says it has managed more than \$3.6bn on behalf of financial institutions and investors.