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Food Industry Scales Back Merger Activity in 2012

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The [Food Institute](#) tracked 301 food industry mergers in 2012, down about 21% from 2011. [Food processors](#) have been involved in more and more deals over the past three years, reaching 83 in 2012 -- over a quarter of the industry total.

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Some 301 mergers were recorded by the [Food Institute](#) through the end of 2012, down about 21% for the year when compared with 2011. The [Food Institute](#)'s 2012 Food Business Mergers and Acquisitions offers a comprehensive record of food industry M&A for the year, and will be available in March.

The [Food Institute](#) tracked the biggest mergers and acquisitions throughout the year: the sale of five retail banners by supermarket giant Supervalu and [food processor](#) Kellogg Company's purchase of Procter & Gamble's Pringles business, a brand that earns \$1.5 billion in sales across more than 140 countries; Campbell Soup Company's Bolthouse Farms \$1.55 billion deal; ConAgra Foods' \$6.8 billion purchase of Ralcorp Holdings and more as reported in The Food Institute Report.

Food Company M&A Slowdown through Q2

Through the first two quarters of the year, the food industry was involved in 157 mergers and acquisitions, with the second half maintaining that pace to close with 301 in total. Despite the attention paid to noteworthy mergers and acquisitions of 2012, the decline in total deals, and specifically in investment firms and bank activity, indicates how temperate the environment was for M&A.

"Fiscal uncertainty and frustration with Washington politics created a hesitant approach to M&A among investment firms and private capital in 2012, as the market reacted strongly to news of breakthroughs or impasses in sequestration negotiations," stated Henry Mollman, a Food Institute industry analyst.

Investment firms and banks continued to play a reduced role in deals in the second half, and finished the year with 49 mergers finalized or left incomplete, or 27.9% fewer than in 2011.

The Food Institute found [food processors](#) experienced a similar year in 2012 as they did in 2011, with 83 total mergers last year. There were five more acquisitions last year compared with 2011, the third-straight year of increased acquisitions after 2009's low of 58. While fruit and vegetable processors recorded 11 acquisitions, an increase of eight over the prior year, meat processors were involved in only two, down from nine in 2011.

To reserve a copy of the annual Food Business Mergers & Acquisitions publication, contact Sue Antista at [sue.antista\(at\)foodinstitute\(dot\)com](mailto:sue.antista@foodinstitute.com). Members can save 10% on purchases of the book.

About The Food Institute

The Food Institute strives to be the best "single source" for current, timely and relevant information about the food industry from farm to fork. The Food Institute serves as a trusted source of information, providing balanced coverage of industry issues, through multiple media for industry professionals to tap in how and when they choose. For more information, visit <http://www.foodinstitute.com>

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