Companies Agriculture Soft commodities

Billion-dollar agriculture dynasties are shunning the ASX

Australia's beef and wheat exports are world class, but our stock exchange is a ghost town for agriculture. Could the giants finally return this year?

Australian Agricultural Company is largely a plaything of billionaires, including Andrew Forrest and British businessman Joe Lewis.

Emma Rapaport [/by/emma-rapaport-p53697] *Co-editor, Street Talk*

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Ross Anderson is in a bind. The chief executive of one of Australia's last ASX-listed fishery companies [https://www.afr.com/companies/agriculture/can-the-murray-cod-finally-hook-australia-an-aquaculture-giant-20250602-p5m460] believes Murray cod has a massive future; he is breeding the native freshwater fish from an endangered species and serving it up at some of the country's best restaurants.

Unlike other agricultural companies, which can be subject to risk factors outside their control, he highlights that Murray Cod Australia's inland ponds don't compete with commercial ocean fishing. This unique proposition has attracted heavyweight backers, including AustralianSuper and Regal Funds Management.

"We're playing a long game here," he says. "We began a selective breeding program with the CSIRO five years ago. This year, we'll have our own breed called Aquna. Just as you'd have Wagyu beef or Berkshire pork or ISA Brown chicken, we'll have Aquna cod. We'll be the only ones in the world who own that – it will effectively be the Wagyu of fish."

But Murray Cod's share price is treading water. It peaked at $4.50 in 2021 but over the past two years it has traded between $1 and $1.50. Now, it's rebuilding stocks, but it takes up to three years to grow a fish to restaurant quality. Getting investors to sit tight and buy into the long-term growth story is tough going.

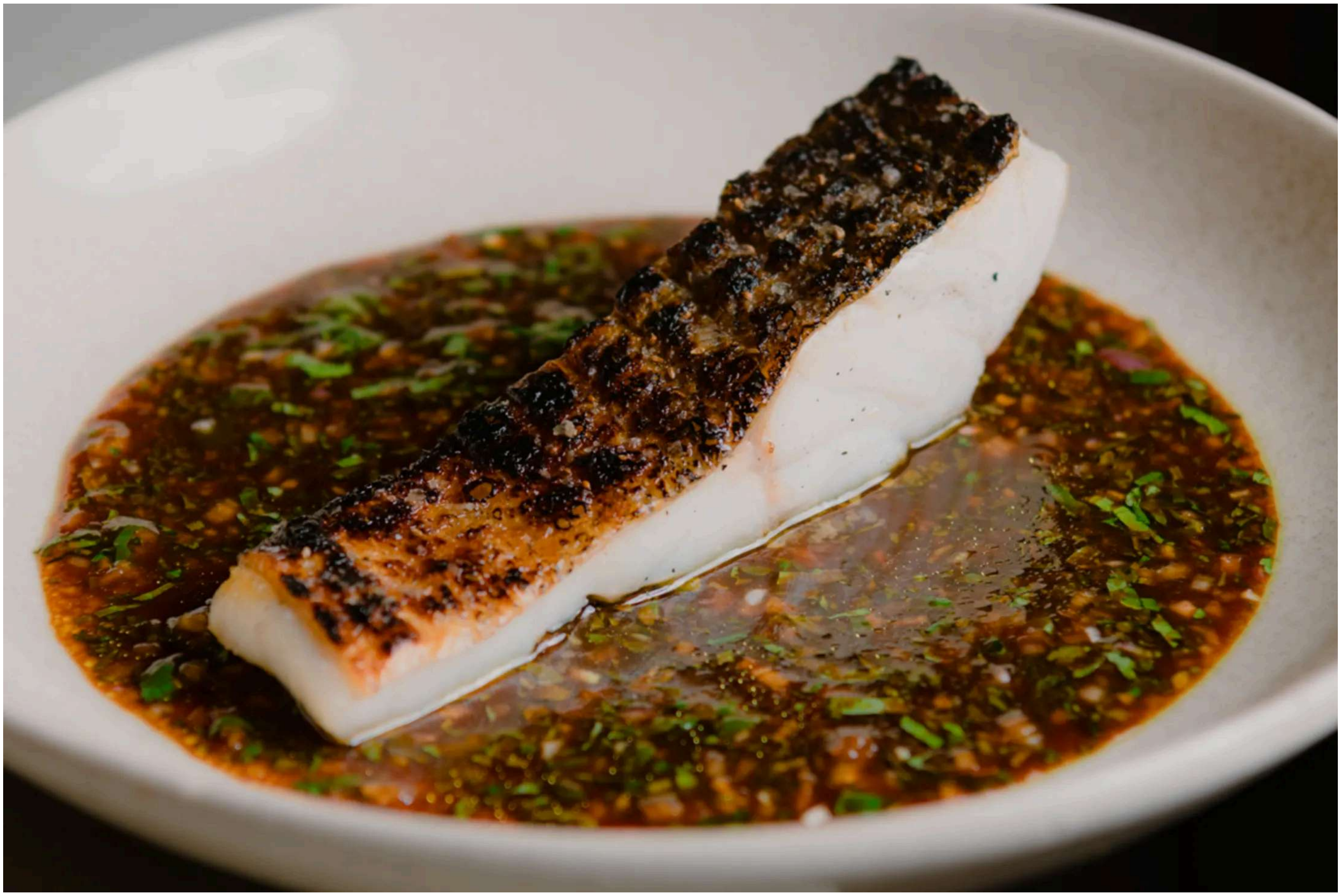
"We've gone from $4.50 to a buck as people see that we've got cash flow going out to build these stocks, and I don't know what it is ... They don't have the confidence," he says.

"It's not a widget factory where you just pull something off the shelf. It's a constant cycle. In the long term, stockpiles of high-quality white fresh fish globally are dropping and prices are going up. We're in a marketplace where demand is growing."

Anderson's dilemma illustrates the broader struggle of Australia's listed agriculture sector. Beef and wheat are among Australia's largest exports, but just one company, A2 Milk Company, features in the S&P/ASX 100 Index. Returns have also underwhelmed: the S&P/ASX Agribusiness Index returned 5.8 per cent over the past five years, plagued by wild swings in constituents Treasury Wine Estates, Bega Cheese and almond grower Select Harvest. The ASX 200 rose about 30 per cent over the same period.

But pockets of the industry are running hot. In the final week of last year, ASX-listed olive oil powerhouse Cobram Estate showed what's possible, pouncing on California Olive Ranch in a $259 million buyout [https://www.afr.com/companies/retail/cobram-estate-s-259m-us-olive-oil-buyout-took-11-years-to-land-20251226-p5nq4n]. The stock soared 33 per cent on the deal to record highs as investors bet on its US expansion. Bidders also jumped on Fonterra's consumer dairy business, Mainland, which was sold to France's Lactalis in a $3.4 billion deal [https://www.afr.com/companies/agriculture/fonterra-sells-consumer-brands-to-france-s-lactalis-for-3-4b-20250822-p5moys].

Although many believe public markets are the wrong fit for the patience required to invest in agriculture, others think 2026 will be a comeback year and there are plenty of contenders that could become the next $1 billion-plus ASX-listed company.



Murray Cod masgouf with double apple and turmeric is on the menu at Sydney's Aalia resturant.

"We're seeing more appetite for equity markets to take on agriculture risk," says Tim Faulkner, managing director at specialty food and agriculture corporate adviser Kidder Williams.

"Markets have moved past the COVID-19 disruptions and the inflation that distorted earnings and input costs. Investors know there's continuing demand for the product; they just need to invest through the cycle."

Too-hard basket

The ASX-listed agriculture sector's stunted growth can be attributed to three key factors.

First is predictability. With performance under the microscope, institutional investors hunt for regular, growing and, importantly, predictable earnings. By its nature, agriculture is a risky business, subject to the whims of climate, disease and parasites, capable of producing a bumper crop one year and a complete bust the next.

This isn't necessarily a deal-breaker, but in recent years COVID-19 upended supply chains, tariffs wreaked havoc and the war in Ukraine prompted wild swings in the price of commodities such as wheat and corn.

"The market has been underwhelmed over the years by the volatility of earnings in the agriculture stocks. That has led to many investors putting them in the too-hard basket," said Angus Aitken, whose firm was behind Cobram Estates' $185 million capital raising in September.

"Even a stock like Australian Agricultural Company looks very cheap, but let's face it, in 25 years as a listed company, I can never remember it trading at a premium."

Tom Butler, an agriculture specialist at corporate advisory firm Nash Advisory, says the volatility is a key reason why agriculture has largely remained the domain of private investors.

"Public market investors want some level of predictability. It's a guessing game as to whether there's going to be rain at the right or wrong time," he says.

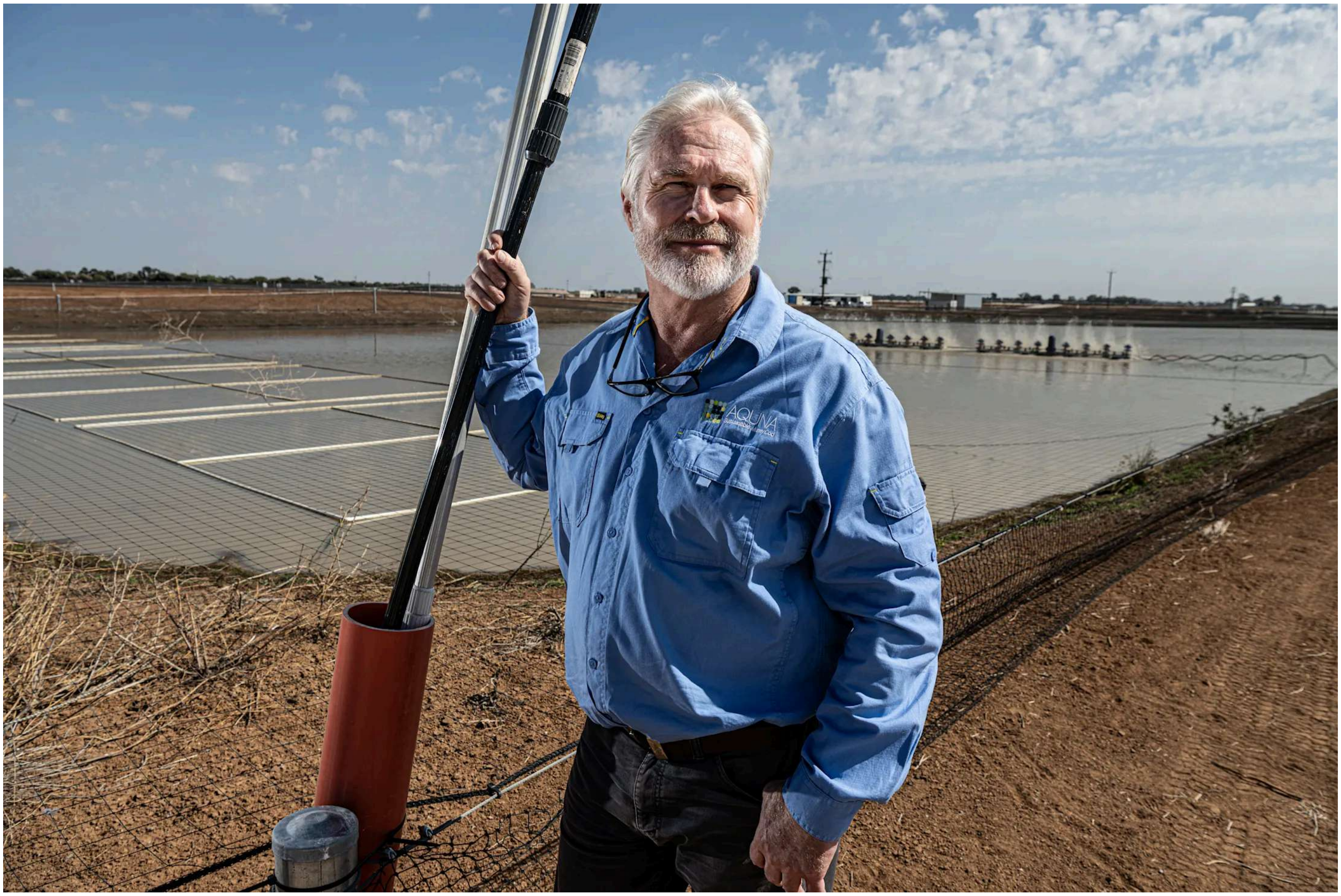
"It's a legacy thing. Between La Nina and droughts, investors just go, Jesus, farming is hard, agriculture is hard."

Second, agriculture companies often trade at a discount to their net asset value. Take AACo, which has $1.5 billion in net assets and a $832 million market capitalisation. This is especially true for companies with significant property assets, hampered by a disconnect between land holdings and what operators can produce off that land. Investors want to see return on operations and growth in cashflow.

Third is a pure numbers game. The ASX has become a happy hunting ground for private equity and strategic buyers. Fruit and vegetable giant Costa Group was taken private in a $1.5 billion buyout in 2024 [https://www.afr.com/companies/agriculture/1-5b-lowball-private-equity-bid-wins-over-costa-group-20240129-p5f0xt], Canada's Cooke Aquaculture caught salmon farmer Tassal [https://www.afr.com/street-talk/cooke-gets-tassal-for-1-1-billion-no-need-for-protracted-dd-20220815-p5ba32], Huon Aquaculture went to Brazilian giant JBS, Capilano Honey to Roc Partners and Wattle Hill, United Malt Group traded to France's Malteries Soufflet and Bellamy's Organic to China Mengniu Dairy Company.

Replenishing the list is difficult, Roc Partners' Frank Barillaro says. This industry is stacked with smaller operators that aren't warming to the idea of added listing costs and increased compliance, governance and disclosure requirements.

"In the listed environment, your customers and your competitors can readily see the financials that you're operating on. In the private market, that same level of disclosure is not required. This creates the potential to put private operators at an advantage over their listed peers."



Ross Anderson, chief executive officers of Aquna, says his ponds produce tastier fish than tanks. **Nick Moir**

The dealmaker, who grew up on a farm near Shepparton, adds: “Agriculture is such a big part of Australia and the economy. It would be nice to see it have more of a place in Australian investors’ portfolios. But its lack of scale and the ability to easily gain access to strong agribusiness companies make it harder for the average mum-and-dad investor to get exposure.”

Changing of the guard

Despite the challenges, Faulkner says the settings are ripe for agriculture’s return to public markets in 2026. Kidder Williams is about to launch a dual-track process for an Australian nuts business. This means it will explore both a private sale and test investor appetite for an IPO.

"It comes down to the industry dynamics in produce like berries and nuts. Both are performing well with solid returns," he says.

Macquarie Group, which holds a significant agriculture portfolio including cotton farm Cubbie Station and up-for-sale $2.5 billion sprawling sheep and cattle property empire Paraway Pastoral Company, has already jumped on the trend, acquiring a stake in Fresh Produce Group in 2024.

Succession planning is also prompting the old guard to have difficult conversations. Many family farms, passed from one generation to the next, are now of significant scale following an extended period of asset inflation. Think the sheep and cattle Downie Family in Tasmania, the Hewitt Cattle business and Rich Listers Roger and Gail Fletcher [https://www.afr.com/rich-list/the-drover-and-the-telephone-operator-who-built-a-1-4b-fortune-20250120-p5l5rz].

For most, the primary goal is to preserve the multi-generational family legacy by corporatising operations – bringing in boards and professional management. But when the next generation holds differing views on remaining in the business, the ASX is being weighed as an ideal venue for a clean exit.

"The beauty of being ASX-listed is you can cater for parts of the family who have different objectives: those who want to stay in can, and those who want the option to sell out (in whole or in part) can with an observable market price," Faulkner said. "You'll see the ASX being used as a mechanism to realise value."

As a start-up play, Murray Cod pushed ahead of a back-door listing because "we couldn't get capital anywhere else".

"We were eating working capital for the first three years before we produced any cash ... we needed to feed the fish, pay staff and electricity costs," Anderson said. "We had no broker support, people thought we were mad, it wasn't going to work, but we wouldn't have grown to where we are today or weathered the storm of COVID-19 without the capital buffer."

Asked what he makes of private equity, Anderson scoffs: “You can shear a sheep many times, but you can only skin him once. Unfortunately, the private equity guys generally skin you upfront before you do the deal.”

Technology shift

Butler is sceptical about a short-term resurgence in public listings, but long term he’s positive about technological change sweeping through the sector and the positive impact it can have on reducing seasonality risk. He points to James Dyson’s 26-acre strawberry glasshouse in the UK as the future.

“You don’t have seasonality risk, you’ve got production control. Dyson can probably sign a long-term offtake with someone like Sainsbury’s because he’s got a regular supply of strawberries,” he says.

“That’s where agriculture is heading. It’s high-intensity, greenhouse, risk mitigation type farming. That’s when you’ll see multiples increase as producers have better visibility on demand and earnings.”

Local fund manager Centuria Capital has been investing heavily in glasshouse operations.

Broiler farms are another key example of this. Birds are grown in sheds, perfectly bred to produce meat in a process that takes about nine weeks from start to finish and the product can be shipped overseas. Private equity has already picked up on the trend. 2025 saw one of the biggest deals in the agriculture sector as US private equity giant KKR acquired $1.3 billion chicken producer, ProTen [https://www.afr.com/street-talk/us-giant-kkr-named-preferred-bidder-at-aware-s-1b-plus-chicken-grower-proten-20250504-p5lwfn]. Sold as an infrastructure play, the 13-times earnings price tag prompted rivals to hatch their own exit plans.

Butler is also positive about the opportunity in agriculture service providers, companies like port owners and feedlot owners, which control a gateway between producers and consumers, or are converting products. “That’s where the margin is in agriculture,” he says.

They're dreamin'

Morgans' Hugh Robertson has advised scores of agriculture companies about listings and capital raisings. He also runs 125 head of cattle in Victoria's Macedon Ranges and comes from a long line of farmers.

Robertson thinks there's room on the ASX for more agriculture companies, but warns investors to be selective. Look for pure-play businesses at scale that control their end product, offer a unique proposition (not a raw commodity) and have a competitive advantage, a moat.

"The most successful backers of Australian agriculture are private investors with patient capital who can ride through the cycles," he says. "For institutional fund managers, the risk-weighted return is too low; they'd prefer to punt on a fintech."

Robertson adds that most agriculture companies are more suited to private capital.

"You own a heap of farms, that's great, but your return on investment ... You might have a $500 million portfolio, but it will make $15 million after tax. Is that exciting? No. It's exciting in private land because you can have higher leverage. But in listed land, you've got two customers, Coles and Woolworths, and you're competing hard on price. There's no growth, there's no competitive advantage."

Next wave

Candidates for an agribusiness ASX resurgence are plentiful but whether they join the call is another story.

Private equity is sitting on assets such as New Zealand-based processed meats business Hellers (Adamantem), poultry producers Hazeldenes Chicken (BGH Capital) and Cordina Farms (PAG), pork processor BE

Campbell (Allegro) [https://www.afr.com/street-talk/allegro-acquires-majority-stake-in-pork-processor-be-campbell-20250827-p5mq68]. Adamantem has tested investor appetite for a Hellers IPO [https://www.afr.com/street-talk/sausage-fest-adamantem-tests-fundie-appetite-for-hellers-ipo-20250806-p5mkw0], appointing a raft of bankers to explore options last year.

Roc Partners' portfolio is stacked with agriculture assets: egg supplier Pace Farm, Australia's largest glasshouse operator Flavorite, oyster producer and distributor Sydney Rock Oysters and Wagyu beef producer Stone Axe. Of those assets, Pace Farm, Flavorite and Stone Axe are at a scale where an IPO could make sense, but a trade sale is more likely the preferred route to exit.

ProTen is among Australia's top chicken producers and recently traded to KKR for $1.3 billion. **Madison Rae**

Then there are the assets that sit on banker prospect lists. As the poultry sector heats up, family owned Baiada, which operates the Steggles and Lilydale brands, is a hot pick. It delivered $194 million profit in the 12 months to June 30 – double that of its ASX-listed rival Ingham's – and earned the family an estimated $2.7 billion fortune. [https://www.afr.com/rich-list/six-new-billionaires-among-10-rich-list-debuts-this-year-20250514-p5lz2k]

The Crotti family's $1 billion-plus turnover South Australian pasta giant San Remo, the Thomas family's hefty $4 billion revenue red meat processor Thomas Foods International, and co-operative CBH Group, the GrainCorp of the West Coast with $3 billion in assets, are all names with the scale to thrive on the ASX. Of note, the Crotti family just took a 13 per cent stake in gourmet food business Maggie Beer [https://www.afr.com/companies/retail/san-remo-pasta-family-joins-bickford-s-on-maggie-beer-share-register-20251022-p5n4cw] alongside Angelo Kotses, the co-owner of the Bickford's cordial brand.

The quietest success story is family-owned Manildra Group. The flour miller reported $2 billion revenue in 2025 and $787 million net assets. The company's product mix now includes flour, oils, sugar and stockfeed, producing more than 2.6 million tonnes of raw materials annually and operating 11 manufacturing facilities.

And a couple more names to keep an eye on: Paspaley is a third-generation pearl dynasty [https://www.afr.com/life-and-luxury/paspaleys-intergenerational-record-sales-20181031-h17bq5], though the consensus is they'll never sell. Beef cattle lot feeding operators Mort & Co is selling down some of its feedlot assets as part of a restructure, putting it on watch lists, and pork giant, SunPork, is still 100 per cent Australian owned.

Investors also keep watch on Warakirri's portfolio for spin-off opportunities. The asset manager specialises in agriculture, managing a portfolio of horticulture and infrastructure assets.

For now, Murray Cod's Anderson isn't letting the naysayers hold him back. The executive is headed for the world's biggest food show, Gulfood 2026 in Dubai, to target luxury dining in the region.

"A business like ours, which has been eating up cash, suddenly that turns around the other way as the fish become available for sale," he says. "It can turn around dramatically. The analysts can't see it, but our backers can."

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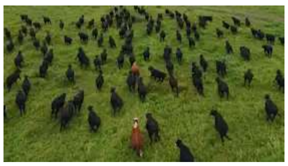

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Emma Rapaport

Co-editor, Street Talk

Emma Rapaport is a co-editor of the Street Talk column. Prior to that, she was a markets reporter at The Australian Financial Review. *Connect with Emma on Twitter. Email Emma at emma.rapaport@afr.com*