

New report reveals growing threat of private equity in US food production

PESP analysis shows 129 private equity deals occurred in horticulture, cultivation industry from 2018 to 2023

FRESNO, CALIFORNIA, UNITED STATES, March 27, 2025 /EINPresswire.com/ -- A new report from watchdog group Private Equity Stakeholder Project (PESP) highlights the growing trend of private equity buyouts of farm operations across the United States. [Betting the farm: Private equity buyouts in US agriculture](#), analyzes how the private equity industry has acquired significant farm operations in the US, including significant percentages of key crop markets. Given agriculture's important role in the US economy and national security, the report raises alarms about extractive private equity strategies and the risks they create for investors, consumers, and workers.

The private equity business model's focus on high returns over short time horizons does not lend itself well to the agricultural sector, where variables including land, gas, fertilizer, water, commodity prices, and labor costs create uncertainty for growers' cash flows. This business model can lead to worse working conditions for farmworkers, and risky financial strategies that can heighten risk for bankruptcy and jeopardize institutional investors. In one private equity controlled bankruptcy of an agricultural operation that occurred in 2023, the Maine Public Employee Retirement System's initial investment, which was originally valued at \$15 million, plummeted to just \$3,000 post-bankruptcy.

"Private equity's risky business model is dangerous in this delicate and essential sector, especially as it faces serious risks from climate change, a potential labor shortage due to mass deportations, and a loss of key markets due to the Trump trade wars," said Justin Flores, Director of Labor-Jobs at PESP. "The private equity playbook – using large amounts of debt to flip companies short term for a profit – does not square well with the concrete realities of the traditional agricultural industry."

Consolidation by private equity firms may have impacts on prices for consumers as well. In the past five years, two large buyouts have placed at least 60% of the country's fresh carrot production in the hands of two private equity-owned firms, Grimmway Farms, owned by Teays River Investments, and Bolthouse Farms, owned by Butterfly Equity. During that period, "carrot producer prices have increased more than 40%, compared with 22% inflation in the U.S. economy," according to a Forbes analysis of data from the U.S. Bureau of Labor Statistics.

Grimmway Farms was also behind the pre-Thanksgiving recall of a number of carrot brands due to an E. coli outbreak associated with 39 cases, 15 hospitalizations and one death across 18 states.

Private equity acquisitions could compound the agriculture industry's long history of labor abuses. The report highlights the case of Windmill Farms, a Washington state mushroom farm owned by Canadian private equity firm Instar Asset Management. Since the farm's acquisition by Instar in 2023, the farm has faced a barrage of accusations of labor abuses, including wage theft, discrimination against workers, and harassment of workers for attempts to organize a union. As a result of the farm's ongoing labor issues, United Farm Workers announced a boycott against its products – the first UFW boycott in two decades.

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