

U.S. private equity fund Paine takes bite of EU farming

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U.S. private equity firm Paine & Partners expanded its farm and agribusiness holdings on Wednesday with the acquisition of a leading European Union agricultural producer, Spearhead International Ltd, for an undisclosed amount.

Cambridge, England-based Spearhead has farm operations covering about 85,000 hectares under cultivation in the United Kingdom, Poland, the Czech Republic, Romania and Slovakia, with farms raising a variety of crops, including grains, oilseeds, vegetables, sugar beets, livestock and other crops.

Spearhead is a key supplier to a number of multinational food companies, including PepsiCo Inc, and has been developing its seed production business, according to Paine & Partners.

Paine has had an interest in Spearhead "for a significant period of time," President Kevin Schwartz told Reuters. When a large investor in Spearhead was looking to liquidate his investment, the fund took the opportunity to step in, Schwartz said.

The deal marks the latest move by the private equity sector into the global food and agricultural fields, amid mounting interest and threats facing the world's future food supply: intense competition for land; increasing demands on limited water resources among a rising global population; and the growing threat of volatile weather.

John Atkin, former chief operating officer of Syngenta AG, will become chairman of Spearhead International, Schwartz said. (Reporting by P.J. Huffstutter; Editing by Leslie Adler)