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## AGR purchases 19.5% stake in Ridley Corp.

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A California-based private equity fund has purchased a 19.5% stake in Australia-based Ridley Corp.

The stock feed and rendering business said it understood that AGR Partners — a private equity fund set up last year and professing a long-term approach to investment in agriculture — bought the stake from long-term holder GPG, which is in the process of winding down an international investment portfolio.

Ejnar Knudsen, managing member, told *Feedstuffs*, that AGR has a positive outlook on feed industry companies around the world, driven by its favorable view of future livestock industry profitability now that the industry is in a period of post-biofuel grain cost reset.

"We see increased demand for high-quality protein in mature and emerging markets," said Knudsen.

As for the future of the animal feed industry in general, Knudsen, who was previously part of the management team at Western Milling, a California-based diversified feed company with more than \$1 billion in sales, said it is a positive one.

"We expect the profitability for most animal livestock industries to be better over the next decade than was experienced over the past decade," Knudsen said.

While Ridley is the firm's first holding in agriculture, AGR is made up of a team with extensive experience in agricultural sectors. Additionally, three of its advisers have held top management positions at Rabobank, including a former chief executive officer of Rabobank Australia.

AGR is unique from other private equity funds in that it seeks to remain in a minority ownership position and has a longer time horizon for its investments, Knudsen said. On its website, AGR says it is committed to cultivating profitable, long-term growth in companies it sees as indispensable assets of the food chain.

AGR would not comment as to whether it will seek a seat on the Ridley board or on specifics of the transaction.