

## **Executing over 500 Assignments on behalf of some 400 Businesses in 30 Years, AgriCapital Corporation has succeeded in Bridging the Gap between Agribusiness and Investment Banking**



**Financial  
VC**



**Rurik B ("RB") Halaby  
Chairman and Founder**

**BIO:**

Rurik Halaby is the Chairman of AgriCapital Corporation a New York based investment bank that provides its services exclusively to agribusiness entities on a global basis. Mr. Halaby founded AgriCapital in 1983 to assist agribusinesses meet the very challenging economic environment that agriculture faced at that time. Agriculture faces different challenges currently. Agribusiness is the geopolitical driver of the 21<sup>st</sup> century. The

demand for food is expected to double in the next forty years and this will need to be done under difficult environmental conditions and with land and water limitations. Technology will thus play an increasingly important role to assure that agriculture will produce more with less. And agribusiness will become increasingly globalized.

AgriCapital works on a private, professionally retained, advisory basis, assisting its clients in negotiating mergers & acquisitions, arranging financings, and providing consulting services. Since its inception, AgriCapital has been involved in over 500 assignments on behalf of some 400 agribusiness companies. These assignments cover the spectrum of agribusiness.

Mr. Halaby is a graduate of M.I.T. (SB and SM) and Stanford University (MBA.). He is active in many industry trade associations, including, most recently, serving on the Board of the American Feed Industry Association and its Executive Committee. He actively attends over twenty conferences annually to stay current with industry developments. These include agribusiness seminars at Harvard, UC Davis, and Purdue.

AgriCapital Corporation is privately owned by its management. A subsidiary company, AgriCapital Securities, Inc. is registered with the Financial Industry Regulatory Authority (FINRA) and several states of the United States and is used when a transaction requires the use of a registered broker-dealer.



**New York Team:**

From left to right: Doug Sterkel, Managing Director; David Repking, Vice President; Joe Crotty, Assistant Vice President; Keir Renick, Vice President; and Rurik Halaby, Chairman and Founder.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

**CEOCFO:** Mr. Halaby, what is AgriCapital Corporation?

**Mr. Halaby:** AgriCapital Corporation is an investment bank that I founded back in 1983. It does basically three things: it negotiates mergers and acquisitions, it arranges financings and it provides consulting services to agribusiness entities on a global basis. We work exclusively in agribusiness. We bridge investment banking and agribusiness with extensive global experience to help our clients meet the growing challenges of a rapidly changing world market. Even though we have a broker-dealer subsidiary, all of our work is private.

**CEOCFO:** Why the interest way back then in agriculture and what sustained that interest over the years?

**Mr. Halaby:** I went out on my own in early 1981 and my first two clients

were in agriculture. I became exposed to an exciting industry and I enjoyed the people I dealt with. One thing that impressed me was the integrity of the people in agriculture. And so in 1983 I decided to start specializing in that sector. At that time, my work was driven by the fact that agriculture in the United States was doing badly and it was under pressure with high interest rates and low commodity prices. My goal then was to help companies tap into new sources of capital. By the second half of the 1980's, agriculture started improving and the nature of AgriCapital changed. We started to focus on the need of many sectors to consolidate and thus started concentrating on merger and acquisition assignments.

**CEOCFO:** What level of agribusiness is your typical focus?

**Mr. Halaby:** We work with agribusiness companies of all sizes. We do not really deal with the farmer per se. We deal more with the company that deals with the farmer. Right now the market for agriculture has changed tremendously and people are beginning to realize the important role that agriculture plays in their lives. We take food for granted but with the global population going from seven billion to nine billion in forty years people realize that there will be more demand for agricultural products that will have to be produced with fewer resources. That is what makes agribusiness so exciting.

**CEOCFO:** Are there many investment banks that specialize in the agribusiness?

**Mr. Halaby:** I am not aware of any other firm that does exactly what we do; an investment bank that has works exclusively in agribusiness, globally, and up and down the food chain. However our business is highly competitive with many firms as well as individuals trying to get into our business. Thirty years ago friends would ask me "agri-what?" Now that more and more people are beginning to appreciate the critical nature of the industry, it is more like, "Ooh, agri-

business." I like to think AgriCapital is uniquely set up to serve our clients better. We have the market intelligence, the global presence, the proprietary tools, and thirty years of experience to serve our clients more efficaciously.

**CEOCFO:** Who is using your services and how do they find you?

**Mr. Halaby:** Our clients are agribusiness entities from around the globe. They range in size from the majors to small family owned concerns. Our client base includes a tremendously diverse, international group of firms that span the entire food chain. These entities can be divided into three categories, production agribusiness, input agribusiness and output agribusiness. Many large, vertically integrated companies have operations in more than one sector.

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Our new business effort is robust and is driven by both the need for companies to be aware of us and to have us top of mind, but also to help us keep abreast of industry intelligence and developments. We attend over thirty conferences a year, at home and abroad, and have an active program to visit companies where they are located.

Most of the people we call on are not necessarily near term prospects as much as people in the business who need to be aware of us and who may need us at some point in the future. Agribusiness people round the world share one common trait, and that is they tend to be conservative and it takes a lot of time and effort to earn their trust. These meetings also allow for an exchange of ideas. The traditional approach of running over the

prospect with a pitch book does not work in agribusiness.

We have been in business for thirty years and I would say a fairly large percentage of agribusiness companies globally are aware of the AgriCapital name and we work hard to protect it. We are registered in over thirty countries.

**CEOCFO:** When you are talking with a client or looking at structuring a deal, what is most important? What are the main factors that you consider?

**Mr. Halaby:** First and foremost, we try to understand the client and its business. Then we try to try to understand what the stakeholders want to do and why. Many times people do things for the wrong reason. Then we try to build up a relationship of trust with the client and understand their personal motivations and goals. So we start out with more questions than answers.

We then meet with the client and help them think through their realistic options. These options could cover the spectrum from doing nothing to outright selling. We try to then help the client think

through the pros and cons of each; Option A vs. Option B vs. Option C, etc. This is where our experience comes in, having been at it for so long, because we understand what the market expects and allows. We also have a good feel for whom the financial sources are, and who the prospective buyers and sellers are.

Many times the pros and cons are not crystal clear and you have to navigate in the dark, which is why the degree of trust is so important.

After the plan is developed and approved we work alongside the client to implement it. Here we pride ourselves on our transparency as we work with the client. We make sure we keep the client up to date with developments, the good, the bad, and the ugly! The Project Module of our proprietary relational database OASIS™ is essential in keeping the client post-

ed on a timely basis. This data base covers thirty years of work, and includes information on some 50,000 individuals and 30,000 entities.

We also make sure we reduce the odds of conflicts with the client and try to align our interests as closely as possible, which is one reason we work exclusively on an advisory basis and do not have our own funds to do deals. We are very old-fashioned and once we are retained by client, the client becomes our lord and master.

**CEOCFO:** How has the current economic scenario changed your philosophy or strategy?

**Mr. Halaby:** At the risk of sounding trite, the only constant in agriculture is change! And the rate of change continues to accelerate. There is no rest for the weary. Which is why I tell my people, as well as myself, "Do not tell me what you know, tell me what you have learned." Every day there is something new to learn. What was doable yesterday is not doable tomorrow and unless you are out in the market listening and talking to people, you do not really have a good feel for that.

There are three main drivers in agriculture today. First is coping with the continuing population growth which is expected to rise from 7 billion pres-

ently to 9 billion by 2050. Along with the growth in the number of mouths to feed, people expect better diets. The combination of population growth and better diets will necessitate a doubling of food production by 2050. Consumers are also much more demanding as far as food safety and food quality. Agribusiness has to produce more but at the same time has to listen to what the consumer wants.

The second big driver, which is really exciting, is technology which will allow more and better food to be produced under more and more challenging environmental conditions. There is less arable land, water allocation is becoming more problematic, weather patterns are changing, etc. All-in-all we will need to produce more with less and this will only be possible because of technological advances. I am fortunate, over the past thirty years to have become exposed to the working of the food chain, from one end to the other, and it is amazing at the technological improvements and ingenuity one sees along each link of the chain. This is why, at least in the developed economies, we have access to a cornucopia of food at relatively low prices.

The third driver is globalization. It is getting to the point where borders are beginning to mean little in agriculture.

I am fortunate to have travelled around the world and visited with agribusiness people in many countries. More things unite us than separate us. In fact food is agnostic and knows no border, religion, color, or creed.

The confluence of growth, technology, and globalization also puts pressure on companies to operate more efficiently which is driving many sectors to rationalize and consolidate.

**CEOCFO:** Why should the business and investment community pay attention to AgriCapital?

**Mr. Halaby:** We are one firm that has succeeded in bridging the gap between agribusiness and investment banking. We have executed over 500 assignments on behalf of some 400 agribusiness entities in 30 years. We understand agribusiness on a global basis, and have developed a network of contacts second to none. We work hard to live up to our motto: Creativity, Integrity, Results, and I believe we have built up a good reputation. Put all together, I like to think we have become the go to firm for businesses and investors looking to become engaged in agribusiness.



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