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Ara acquires control stake in Pacific Ag, targeting growth in crop residue logistics

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The deal strengthens Araâ??s waste-to-value strategy, backing Pacific Agâ??s nationwide network for converting corn stover and wheat straw into feedstocks for dairy, animal protein and mushroom production

Ara Infrastructure, the infrastructure investment platform of global private equity firm Ara Partners, has acquired a majority interest in Pacific Ag, a North American crop residue supply and logistics company. The transaction expands Ara's waste-to-value strategy and positions Pacific Ag to extend its role in agricultural supply chains.

The deal targets a largely overlooked resource in US agriculture: the crop residue left behind after grain harvests. American farms generate hundreds of millions of tonnes of such material annually, including corn stover and wheat straw. While excess residue can create management costs for growers, it can also serve as a valuable raw material for downstream industries.

Pacific Ag collects excess crop residue directly from fields and supplies it to end-markets including dairy and other animal protein operations, as well as mushroom growers that use agricultural materials as a growing medium. Its business model connects field-level residue management with established demand for agricultural feedstocks.

The company operates a specialised harvesting fleet and logistics network designed to collect, store and deliver residue while protecting soil health. By managing these activities, Pacific Ag offers farmers an alternative to handling excess residue themselves, potentially reducing the need for additional equipment and labour while creating an additional revenue stream.

Turning agricultural by-products into commercial value

Pacific Ag's model addresses two connected challenges: the cost of managing crop residue on farms and the demand for reliable agricultural feedstocks across multiple industries.

Residue removal can require additional field operations and careful nutrient management. Pacific Ag coordinates harvesting and logistics, then directs the collected material towards customers that can use it productively. The approach creates a commercial link between farm-level residue management and industrial supply chains.

Bill Levy, founder and chief executive of Pacific Ag, said the company was established nearly three decades ago around the premise that agricultural by-products could generate value rather than become waste.

The company manages harvesting, storage and delivery, allowing growers to participate in the value chain without having to invest in additional machinery or labour, Levy said. With Ara's backing, Pacific Ag aims to extend the model to more farms across the country.

Ara backs an established agricultural logistics network
For Ara Infrastructure, the acquisition aligns with its strategy of investing in businesses that convert underused resources into commercially valuable inputs.

George Yong, partner and co-head of Ara Infrastructure, said Pacific Ag had developed a national network, established access to end-markets and long-standing customer relationships that would be difficult for a new entrant to replicate quickly.

He described the investment as an example of Ara's waste-to-value approach, adding that stronger domestic supply chains for feed, fuel and materials could support broader economic resilience.

The transaction gives Pacific Ag a new investment partner as it seeks to expand its operations. Financial terms of the acquisition were not disclosed in the announcement.

Crop residue supply chain offers scope for expansion

Pacific Ag's business sits at the intersection of agricultural logistics, residue management and industrial feedstock supply. Its ability to coordinate collection and delivery across a broad geographic footprint is central to connecting dispersed farm-level resources with commercial customers.

The acquisition also highlights the growing investor interest in infrastructure that can recover value from agricultural by-products. However, expansion will depend on local residue availability, collection economics, logistics costs, customer demand and the need to balance residue removal with soil health.

For growers, the model offers a potential source of additional income from excess crop material. For downstream industries, it provides access to agricultural feedstocks through a specialised supply network. Ara's investment is intended to help Pacific Ag build on that position and expand the reach of its existing business.