



Agriculture Industry Flash

Tuesday, March 29th, 2022

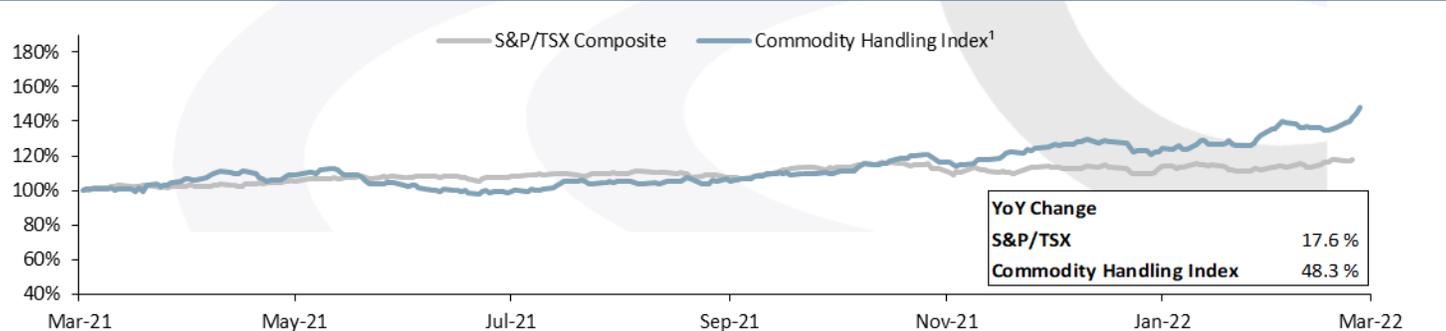


COMMODITY HANDLING

News Scan

- On March 25th, **Olam Group (“Olam”)**, a global agribusiness, announced its strategic partnership with the **Saudi Agricultural and Livestock Investment Company (“SALIC”)**, a wholly-owned subsidiary of the **Public Investment Fund of the Kingdom of Saudi Arabia**, under the terms of which SALIC will invest US\$1.24 billion for a 35.4% stake in Olam. Proceeds from the transaction will be used to reduce Olam’s debt and support growth
- On March 22nd, **Sioux Steel Co.**, a US-based manufacturer of grain bins and buildings, announced its acquisition of **SCAFCO Grain Systems Co. (“SCAFCO”)**, a high-quality grain storage systems provider with installations in over 80 countries, for an undisclosed amount. Following this transaction, the addition of SCAFCO products, machinery, and factories will increase Sioux Steel’s capacity to deliver its products globally
- On March 16th, **Ceres Global Ag Corp. (“Ceres”)**, a multinational agribusiness, announced its acquisition of a 50% interest in **Berthold Farmers Elevator, LLC**, a US-based grain originator and merchandiser, from **Columbia Grain International, LLC**, a global distributor of grains, for an undisclosed sum. This acquisition will allow Ceres to advance its corporate strategy to partner with growers and increase origination of its core products
- On March 14th, **Progressive Ag Cooperate** announced its merger with **Mid-Kansas Cooperative**, two full-service agricultural cooperatives serving producers in Kansas, for an undisclosed amount. With this transaction, the combined cooperative will consist of 71 locations and nearly 600 employees, delivering a wide range of products to meet the needs of the agricultural producers in the region
- On March 3rd, Nigeria’s leading food and agro-allied company **Flour Mills of Nigeria (“FMN”)**, announced its acquisition of a majority stake of 71.69% in **Honeywell Flour Mills PLC (“HFM”)**, one of FMN’s milling rivals, for US\$193.7 million. The combination of FMN and HFM will create a food business that is better positioned to benefit from the growing Nigerian population and leverage opportunities stemming from the African Continental Free Trade Area
- On March 2nd, **Canadian National Railway (“CN”)** officially requested the **US Surface Transportation Board (“STB”)** to require the divestiture of the **Kansas City Southern (“KCS”)** line from Kansas City, Missouri, US, to Springfield, Missouri, US, and East St. Louis, Illinois, US, to CN as a condition of the proposed merger of **Canadian Pacific Railway (CP)** and KCS to maintain competitive tension

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2022E	2023E	2022E	2023E	Price	52Wk High
ADM	52,557	63,364	11.9x	11.9x	18.0x	18.0x	11.6 %	18.3 %
Bunge Limited	16,562	23,612	8.5x	8.9x	11.1x	11.8x	11.2 %	11.3 %
The Andersons, Inc	1,839	3,122	9.3x	8.9x	19.4x	19.0x	22.5 %	24.3 %
Graincorp Limited	1,508	2,179	5.9x	9.2x	8.6x	16.3x	2.7 %	(0.2)%
United Malt Group Limited	849	1,091	8.8x	7.4x	18.9x	13.5x	(0.8)%	(18.7)%
Ceres Global Ag	136	237	na	na	na	na	2.0 %	(8.0)%
Mean			8.9x	9.3x	15.2x	15.7x	8.2 %	4.5 %

1 “Commodity Handling Index” is composed of equally weighted market prices for: ADM, Bunge, Graincorp, The Andersons, Ceres, and United Malt Group.

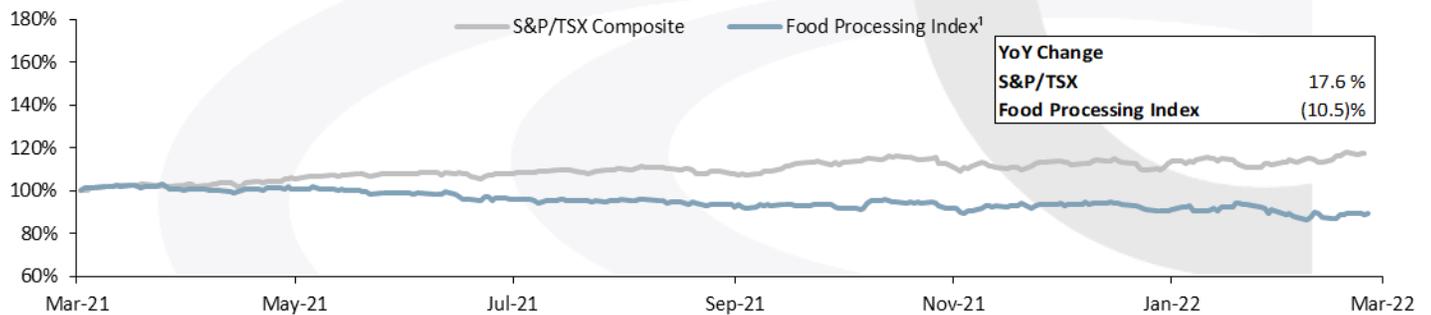


FOOD PROCESSING

News Scan

- On March 17th, **TA Associates**, a global growth private equity firm with a strong focus in the food & agricultural industry, announced its acquisition of **Stonewall Kitchen**, a US-based condiment producer of private labels jams, from **Audax Private Equity**, a North America-focused middle-market private equity firm, for an undisclosed amount. This transaction is expected to accelerate Stonewall Kitchen's new product development and continue its expansion in North America
- On March 15th, French agro-industrial group **Avril** announced its acquisition of a majority stake in Italian food manufacturer **Eccellenza Italiana** for an undisclosed sum. This acquisition is expected to enable Eccellenza Italiana to accelerate its international development in the consumer goods sector
- On March 15th, **Fonterra Co-operative ("Fonterra")**, a New Zealand-based dairy producer, and **Future Consumer Limited**, an Indian, food-led consumer goods company, jointly announced their decision to discontinue their 50/50 joint venture, **Fonterra Future Dairy**, a dairy company offering products using Indian milk, after COVID-19 caused significant disruptions to the Indian market. Following this decision, Fonterra will continue to have a presence in India through **Anchor Food Professionals**, a global foodservice provider, and its ingredients business
- On March 8th, **LT Foods America**, a wholly-owned subsidiary of **LT Foods**, the No.1 specialty food brand in the US, announced its acquisition of a 51% majority stake in **Golden Star Trading**, a California-based rice company, for an undisclosed amount. LT Foods plans to expand its presence in the specialty rice market across North America and, in three years, acquire the remaining 49% of Gold Star Trading
- On March 4th, North American alcohol wholesaler **Breakthru Beverage Group ("Breakthru")**, announced its acquisition of the Florida-based beer distributor **J.J. Taylor Companies**, for an undisclosed sum. The transaction includes a 600,000-square-foot warehouse in Minnesota and will strengthen Breakthru's operations in the Twin Cities
- On March 3rd, **Valio**, a Finnish dairy manufacturer, announced its acquisition of **Gold&Green Foods**, a Finnish plant-based protein provider, for an undisclosed amount. This transaction is expected to further strengthen Valio's position in the growing global plant protein market

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2022E	2023E	2022E	2023E		
Saputo Inc.	9,319	12,571	11.4x	9.8x	20.3x	15.1x	(1.0)%	(29.7)%
Ingredion Incorporated	5,841	7,931	8.1x	7.6x	12.3x	11.1x	3.2%	(15.4)%
Tate & Lyle plc	4,399	4,938	13.4x	12.9x	18.6x	15.4x	(1.8)%	(13.5)%
Premium Brands	3,787	5,173	11.5x	10.4x	19.0x	16.6x	0.3%	(23.0)%
Maple Leaf Foods Inc.	2,923	3,999	9.6x	7.5x	19.8x	13.2x	(1.8)%	(10.4)%
SunOpta Inc.	534	799	14.3x	10.7x	nmf	30.8x	6.2%	(67.7)%
Rogers Sugar	521	849	9.6x	na	13.7x	na	0.2%	3.3%
High Liner Foods Incorporated	361	593	7.9x	7.3x	10.6x	9.2x	5.1%	(14.4)%
Mean			10.7x	9.5x	16.3x	15.9x	1.3%	(21.3)%

1 "Food Processing Index" is composed of equally weighted market prices for: Saputo, Ingredion Incorporated, Tate & Lyle plc, Premium Brands, Maple Leaf Foods Inc, SunOpta Inc. Rogers Sugar, High Liner Foods Incorporated

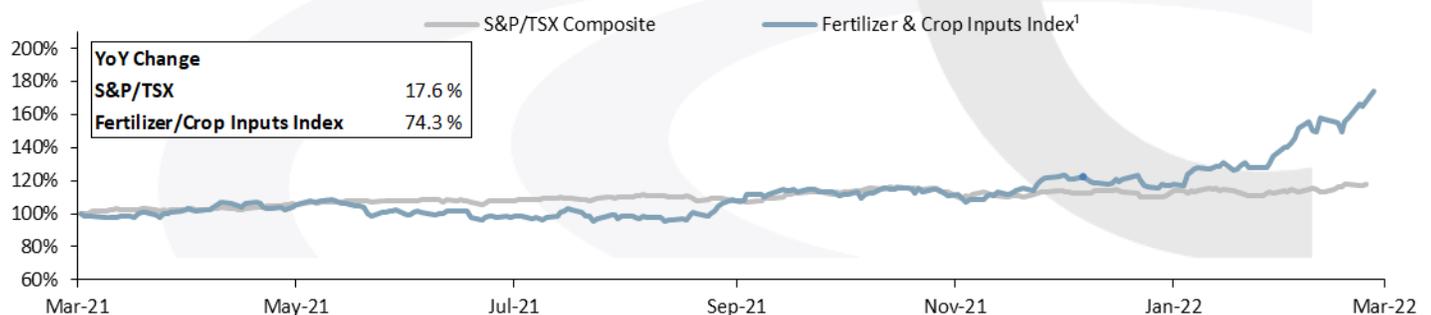


FERTILIZERS AND CROP INPUTS

News Scan

- On March 23rd, Nigerian billionaire **Aliko Dangote** announced he has opened a fertilizer plant in Nigeria at a cost of US\$2.5 billion. The plant is expected to produce 3 mt of urea per year and supply major markets in sub-Saharan Africa. Exports of the fertilizer plant will go to Brazil, a country that relies heavily on Russia for imports of fertilizers, as well as to the US, India, and Mexico
- On March 21st, **Orica**, an Australia-based multinational explosive company, and **Origin Energy**, an Australia-based energy company, announced they have entered into an agreement to collaborate on feasibility work and development of the Hunter Valley Hydrogen Hub in Newcastle, Australia. This partnership is expected to produce a grid-connected, 55 MW electrolyser to produce green hydrogen from recycled water for use at Orica's existing ammonia production plant on Kooragang Island
- On March 17th, **Omya**, a Swiss producer of industrial minerals, announced its acquisition of **Prima Inter-Chem**, a distributor of ingredients and specialty chemicals, for an undisclosed sum. This transaction will boost Omya's distribution capacity in the Asia Pacific region
- On March 17th, **Scatec**, a Norwegian renewable energy systems company, announced its partnership with a series of Egyptian government entities to develop a 1 mt per annum green ammonia plant in Ain Sokhna, adjacent to the Suez Canal, with a potential scale-up of production to 3 mt per annum. The facility will be powered by new renewable energy generation to be built within close proximity
 - On March 8th, **Scatec** and **ACME**, a global renewable energies company, announced a 50/50 joint venture to design and build a large-scale, green ammonia facility in the Duqm Special Economic Zone of Oman. Upon completion of the first phase of the project, the facility is expected to produce 100,000 tonnes of green ammonia annually. At full capacity, the facility will produce up to 1.2 mt of green ammonia per annum
- On March 16th, **Nutrien**, a Canadian fertilizer company, announced its decision to increase its potash production capability to approximately 15 mt in 2022, an increase of nearly one mt compared to previous expectations, in response to the uncertainty of potash supply from Eastern Europe
- On March 9th, **Yara International ("Yara")**, a Norwegian chemicals company, announced its decision to temporarily curtail its production capacity at its Ferrara (Italy) and Le Havre (France) plants following the surge in record high natural gas prices in Europe. As a result, Yara's European ammonia and urea production is expected to operate at approximately 45% capacity

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2022E	2023E	2022E	2023E	Price	52Wk High
Nutrien Ltd.	59,599	67,394	7.9x	11.6x	11.9x	19.7x	9.0 %	30.9 %
CF Industries Holdings, Inc.	22,704	27,922	6.1x	11.1x	8.7x	19.0x	18.8 %	37.2 %
The Mosaic Company	26,275	30,463	5.2x	8.4x	7.4x	13.6x	16.8 %	43.9 %
Yara International ASA	13,190	17,136	6.8x	6.4x	8.0x	10.7x	2.2 %	(10.4)%
Nufarm Ltd.	1,760	2,183	7.5x	7.2x	24.9x	21.6x	6.0 %	7.4 %
Mean			6.7x	8.9x	12.2x	16.9x	10.5 %	21.8 %

1 "Fertilizers and Crop Inputs Index" is composed of equally weighted market prices for: Nutrien, CF Industries, Yara, Mosaic, and Nufarm.

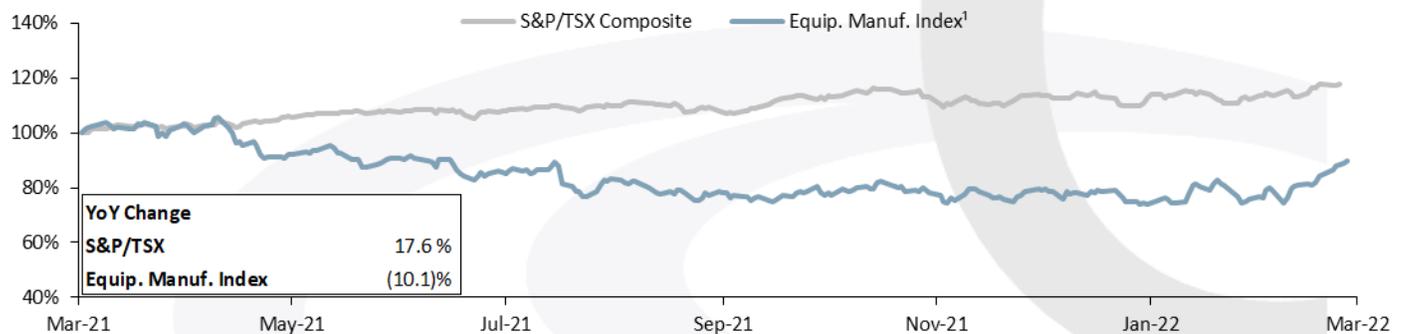


EQUIPMENT AND TECHNOLOGY

News Scan

- On March 25th, **Farmers Edge**, a Winnipeg-based digital farming solutions company, announced it has entered into a C\$75 million secured credit facility with **Fairfax Financial Holdings**, a Toronto-based financial holding company. The facility will bear interest at a rate of 6% per annum and will mature on January 31st, 2025. Farmers Edge intends to use the net proceeds of the facility for working capital and general corporate purposes
- On March 24th, the **Glacier FarmMedia Discovery Farm**, a Saskatchewan-based innovative agricultural demonstrative farm, announced its partnership with **Agtech Accelerator**, a US-based agricultural product wholesaler, to provide a platform that farmers can use to learn about the latest advancements in agricultural technology. This partnership is will help Canadian AgTech start-ups to conduct research activities and discover practical solutions
- On March 23rd, **urban-gro Inc.**, a US-based fully integrated indoor cultivation company, announced its acquisition of **Emerald Construction Management Inc.**, a 37-year-old Colorado-based construction management firm, for US\$7 million. Upon completion of this transaction, urban-gro will be able to supply the global indoor controlled environment agriculture market with turn-key design-built facilities
- On March 10th, **AgriFORCE Growing Systems Ltd. (“AgriFORCE”)**, a Vancouver-based Agtech company focused on advancing sustainable cultivation and crop processing, announced it has entered into a binding letter of intent to acquire **Deroose Plants NV (“Deroose”)**, a Belgium-based tissue culture propagation company with a focus on horticulture, plantation crops and fruit and vegetables, for US\$69 million. This acquisition is expected to strengthen AgriFORCE’s integrated AgTech business model by providing a leading position in tissue culture propagation and plant cultivation

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2022E	2023E	2022E	2023E		
Deere & Company	133,896	186,403	18.1x	15.9x	18.1x	17.1x	7.5 %	9.0 %
AGCO Corporation	11,075	11,948	7.8x	7.2x	12.7x	11.8x	12.5 %	(6.7)%
Ag Growth International Inc.	645	1,351	8.5x	7.8x	12.7x	11.4x	2.7 %	(11.5)%
CNH Industrial N.V.	18,204	33,465	16.3x	14.4x	12.8x	11.5x	6.6 %	(14.7)%
Farmers Edge Inc.	98	54	neg	neg	neg	neg	(1.7)%	(86.0)%
Mean			12.7x	11.3x	14.1x	12.9x	7.6 %	(3.1)%

¹ “Equip. Manuf. Index” is composed of equally weighted market prices for: Deere & Co., AGCO, and Ag Growth Intl., CNH Industrial, and Farmers Edge

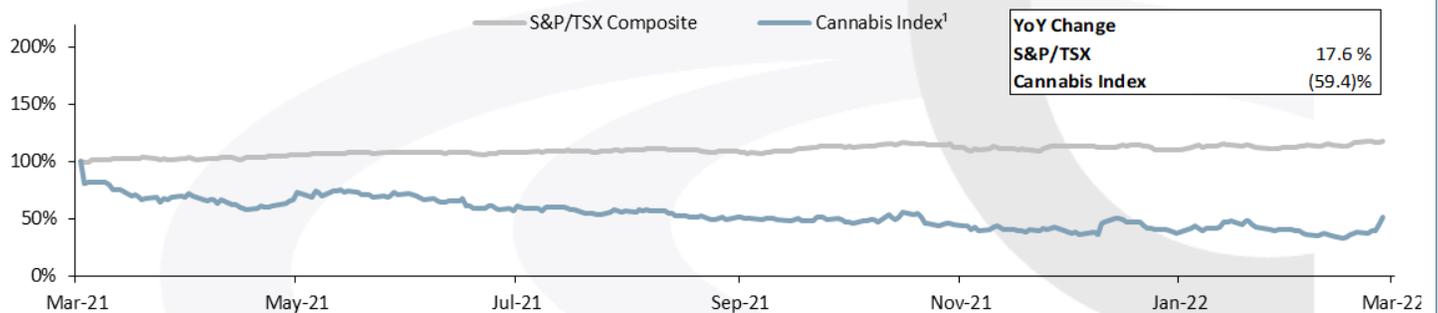


CANNABIS AND HEMP

News Scan

- On March 23rd, Canadian cannabis giant **Aurora Cannabis Inc. (“Aurora”)** announced its acquisition of **TerraFarma, Inc.**, the parent company of **Thrive Cannabis Inc. (“Thrive”)**, for C\$38 million. Following this transaction, the Thrive team will lead initiatives in Aurora’s Canadian adult-use portfolio to advance its shift in focus to products such as dried flower, pre-rolls, vapes and concentrates
- On March 23rd, **Cresco Labs Inc. (“Cresco”)**, a Chicago-based medical marijuana company, announced its acquisition of **Columbia Care Inc.**, a New York-based provider of high-quality cannabis products, for roughly US\$2 billion. This transaction will be one of the largest in history and bring together two leading operators in the industry
- On March 17th, **Jushi Holdings Inc. (“Jushi”)**, a Nevada-based vertically integrated operator, announced its acquisition of **The Apothecarium**, a Las Vegas-based full-service recreational and medical cannabis dispensary, for an undisclosed sum. With this acquisition, The Apothecarium will be paired with Jushi’s earlier acquisition, **Franklin Bioscience NV**, a licensed medical marijuana processor in Ohio, to further expand its production capacity in Nevada
- On March 9th, **TerrAscend Corp. (“TerrAscend”)**, a North American cannabis operator, announced its acquisition of **Gage Growth Corp.**, a Michigan-based cannabis brand and operator, for an undisclosed amount. With this transaction, TerrAscend will have an expanded footprint across North America, including seven cultivation and processing facilities and 25 operating dispensaries serving medical and adult-use cannabis markets
- On March 3rd, **HEXO Corp. (“HEXO”)**, a Canadian producer of high-quality cannabis products, announced its strategic alliance with **Tilray Brands Inc. (“Tilray”)**, a global cannabis-lifestyle and consumer packaged goods company. Under this agreement, Tilray will acquire US\$211 million of senior secured convertible notes originally issued by HEXO, and expects to create efficiencies of up to C\$50 million within two years

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
			2022E	2023E	2022E	2023E	Price	52Wk High
Canopy Growth Corporation	3,415	3,522	7.1x	6.9x	neg	neg	26.7 %	(76.9)%
Tilray, Inc.	3,993	4,552	7.4x	6.3x	nmf	34.1x	57.2 %	(61.5)%
Cronos Group Inc.	1,593	773	9.3x	5.4x	neg	nmf	20.1 %	(64.0)%
Aurora Cannabis Inc.	959	1,033	5.6x	5.5x	neg	neg	26.8 %	(63.5)%
OrganiGram Holdings Inc.	606	481	6.7x	4.0x	neg	25.8x	17.6 %	(62.3)%
Mean			7.2x	5.6x	na	29.9x	29.7 %	(65.6)%

¹ “Cannabis Index” is composed of equally weighted market prices for: Canopy Growth, Tilray, Cronos, Aurora Cannabis and OrganiGram Holdings.



ADDITIONAL NEWS AND AGRICULTURE COMMODITIES UPDATE

News Scan

- On March 23rd, the **US Food and Drug Administration (“FDA”)** announced its delay to amend and modernize the standard of identity for yogurt. The **International Dairy Foods Association (“IDFA”)** expressed disappointment with this announcement as manufacturers are unable to meet consumer demands without standards being modernized, severely impacting sales
 - On March 10th, the **FDA** approved gene-altered and bioengineered cattle to be used for meat in the US. It is anticipated that these meat products will be available for purchase by general consumers in as early as two years
- On March 23rd, **Nestlé** announced its decision to further scale back its Russian based production of infant foods, veterinary, and medical nutrition products after **Ukrainian president Volodymyr Zelensky** publicly called out Nestlé, along with other Western companies, for continuing to operate in Russia after its invasion of Ukraine
- On March 22nd, the **Canadian Pacific Railway** announced it has reached an agreement with the **Teamsters Canada Rail Conference’s Train and Engine Negotiation Committee** to end the strike that commenced on March 16th, resuming its essential operations for the North American supply chain
- On March 22nd, **Truckers’ Unions** in Spain continued their strike following the rejection of a €500 million support package from the **Government of Spain**, claiming the package isn’t enough to compensate for the soaring fuel prices. The growing strike intensity is beginning to interrupt food supplies as shipments of cattle feed and fresh food products are being compromised
- On March 22nd, the **US Animal and Plant Health Inspection Service**, a department under the **US Department of Food and Agriculture**, announced a nationwide outbreak of highly pathogenic avian influenza (HPAI) in hen laying chickens. To date, more than 6 million chickens have had to be destroyed in Iowa, causing the price of eggs to rise sharply
- On March 21st, major Western agricultural companies such as **Cargill, Archer Daniels Midland, and Bayer** announced certain operations will continue to operate in Russia, citing avoidance of humanitarian catastrophe in Russia and globally, related to interruptions to food supply caused primarily by Russia’s invasion of Ukraine, as well as by drought in other wheat-growing regions across North and South Americas
- On March 17th, **APK-Inform**, a Ukrainian agriculture consultancy firm, announced that approximately half the canola crop planted in regions with military activity could be lost to the ravages of war. Since Ukraine is considered as the world’s third largest exporter of canola, economists are advising farmers worldwide to lock in canola prices for 2022
- On March 11th, **Chinese president Xi Jinping** told the **Chinese People’s Political Consultative Conference** that the country is willing to accept alternative protein technologies, signalling near-term regulatory approval for cell-cultured meat and precision fermentation technology solutions providers
- On March 4th, **Bloomberg News** reported that wheat prices were headed for a record weekly gain of about 40% following Russia’s invasion of Ukraine. In addition, Bloomberg reported that China, one of the world’s top buyers of wheat, was moving to secure supplies in global markets, thus helping to push prices higher

Commodities Futures as of March 29, 2022

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$7.54	9.16 %	37.91 %
Wheat (CBOT)	\$ per bu.	\$11.02	18.01 %	78.72 %
Oats (CBOT)	\$ per bu.	\$7.38	15.13 %	97.59 %
Rough Rice (CBOT)	\$ per cwt.	\$16.26	3.63 %	22.54 %
Rapeseed (Canola) (ICE)	CAD per T	\$1,139.40	10.33 %	88.18 %
Ethanol (CBOT)	\$ per gal.	\$2.16	-	14.59 %

¹ “Year to Date” statistics are presented on a Last Twelve Months (LTM) basis



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