



Agriculture Industry Flash

Wednesday, April 27th, 2022

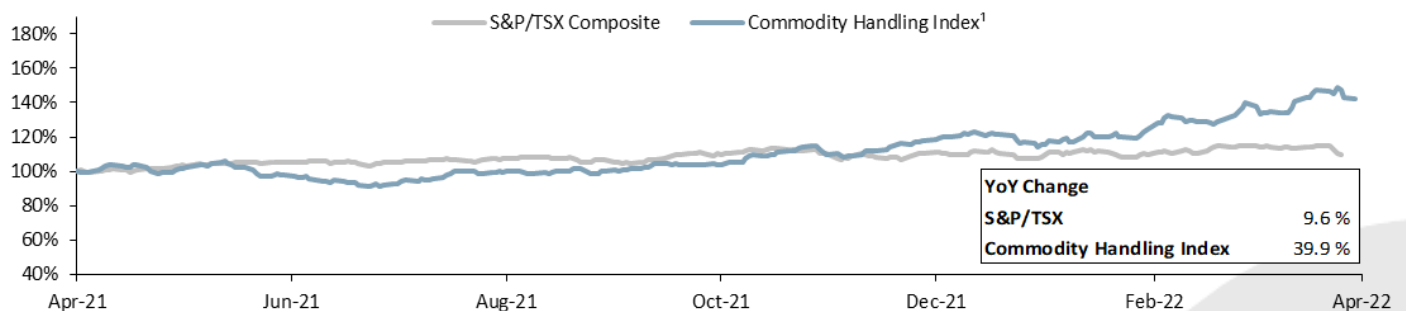


COMMODITY HANDLING

News Scan

- On April 20th, **Alicorp SAA**, Peru's largest flour miller, announced it has expanded its flour production capabilities by nearly 50% at its plant in the Callao district near Lima, the nation's capital. The plant can now produce up to 1,580 tonnes of flour per day, an increase of approximately 500 tonnes
- On April 12th, **Archer-Daniels-Midland Company ("ADM")** announced its investment of approximately US\$300 million to significantly expand its alternative soy protein production in the US. ADM plans to continue to add capacity to meet the strong demand growth in the alternative proteins space, specifically for alternative meat and dairy products, to ensure it remains a leader in the segment
 - On April 12th, **ADM** also announced a multi-million-dollar investment to add the ability to process non-GMO soybeans at its oilseeds facility in Mainz, Germany. The project is expected to be completed in the third quarter of 2023 and will meet the growing demand for certified non-GMO, European origin food and feed products
- On April 5th, **Benson Hill, Inc.**, a US-based soybean processing company, announced it has entered into a strategic alliance with **Denofa AS**, a Scandinavia-based protein producer, to introduce sustainable soy protein ingredients into the Northern European aquaculture feed market. Together, the companies plan to deliver sustainable, traceable, non-GMO soy ingredients with novel benefits to serve the region

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		
ADM	51,004	64,184	10.4x	11.1x	14.8x	16.1x	(6.0)%	(8.3)%
Bunge Limited	16,394	23,431	7.9x	8.5x	10.1x	11.0x	(9.4)%	(10.5)%
The Andersons, Inc	1,697	2,974	8.8x	8.5x	16.3x	16.2x	(10.5)%	(14.4)%
Graincorp Limited	1,613	2,224	5.1x	8.4x	5.9x	11.9x	3.5%	(1.1)%
United Malt Group Limited	872	1,103	11.1x	8.2x	26.5x	15.7x	0.0%	(16.0)%
Ceres Global Ag	120	219	na	na	na	na	(5.7)%	(16.4)%
Mean			8.6x	8.9x	14.7x	14.2x	(4.7)%	(11.1)%

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

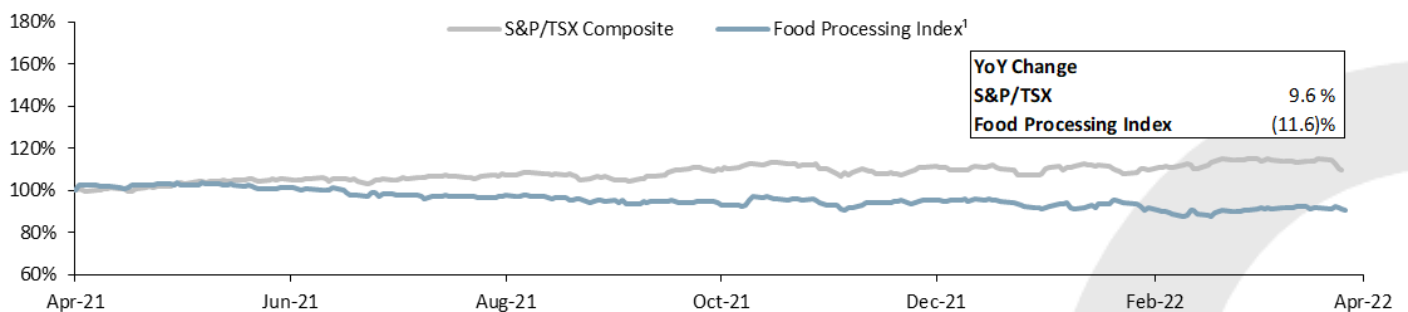


FOOD PROCESSING

News Scan

- On April 26th, **Olam Food Ingredients (“OFI”)**, a global distributor of food and beverage ingredients, announced its acquisition of **Club Coffee L.P. (“Club Coffee”)**, one of Canada’s largest roasters of packaged coffee to the ‘At Home’ segment, for C\$150 million. This acquisition aligns with OFI’s growth strategy to deliver sustainable food and beverage ingredients and solutions to customers across the globe
- On April 14th, **Advent International Corporation (“Advent”)**, a global private equity firm, announced its acquisition of **IRCA**, an Italian ingredient producer, for an undisclosed sum. Following the transaction, Advent will support IRCA in scaling its business in Italy and internationally, and expanding its portfolio into adjacent product categories
- On April 13th, Ohio-based dairy manufacturer and distributor **Ohio Processors, Inc. (“Ohio Processors”)** announced it has entered into an agreement to acquire **Pierre’s Ice Cream Company**, an Ohio-based ice cream company, for an undisclosed amount. This transaction will allow Ohio Processors to expand its product offerings, customer base, and geographic reach
- On April 12th, Northern Irish food manufacturer **Kestrel Foods Ltd. (“Kestrel Foods”)** announced its acquisition of a lower fat, lower sugar granola brand, **Just Live a Little Granola**, for an undisclosed amount. With this transaction, Kestrel Foods will continue its growth in the plant-based foods category and deliver healthier products to its customers
- On April 8th, **Weetabix Food Company**, a UK-based breakfast food processing company, announced its acquisition of **Lacka Foods Limited (“Lacka Foods”)**, a UK-based health food and drink products manufacturer and owner of the Úfit high-protein shake brand, for an undisclosed sum. Upon completion of the transaction, the two companies’ operations will remain separate, with Lacka Foods’ management team continuing to run the business
- On April 6th, **Kraft Heinz** announced its acquisition of a majority stake in **Companhia Hemmer Indústria e Comércio (“Hemmer”)**, a 107-year old Brazilian maker of condiments and sauces, for an undisclosed amount. Kraft Heinz intends to make the Hemmer acquisition part of its “International Taste Elevation platform,” which focuses on condiments and sauces, to gain a greater market concentration in the category
- On April 4th, French dairy giant **Group Lactalis SA (“Lactalis”)** announced its acquisition of dairy assets and brands from **Bayerische Milchindustrie eG (“BMI”)**. This transaction will include BMI’s fresh milk, yogurt, quark, cream and ayran activities and is expected to allow Lactalis to build a long-term relationship with producers in southern Germany

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.	9,239	12,377	11.3x	9.5x	20.3x	14.7x	1.1%	(27.5)%
Ingredion Incorporated	5,650	7,695	7.9x	7.5x	12.1x	11.1x	(0.9)%	(13.9)%
Tate & Lyle plc	4,545	5,067	14.4x	13.8x	20.0x	16.4x	0.6%	(6.5)%
Premium Brands	3,645	5,145	11.6x	10.1x	19.4x	15.9x	2.2%	(23.7)%
Maple Leaf Foods Inc.	2,658	3,710	9.2x	7.1x	19.6x	12.4x	(3.3)%	(14.5)%
SunOpta Inc.	544	804	14.7x	11.0x	nmf	35.0x	(5.4)%	(57.8)%
Rogers Sugar	493	813	9.4x	na	13.2x	na	(0.5)%	(3.1)%
High Liner Foods Incorporated	312	535	7.3x	6.7x	9.4x	8.1x	(3.4)%	(17.9)%
Mean			10.7x	9.4x	16.3x	16.2x	(1.2)%	(20.6)%

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

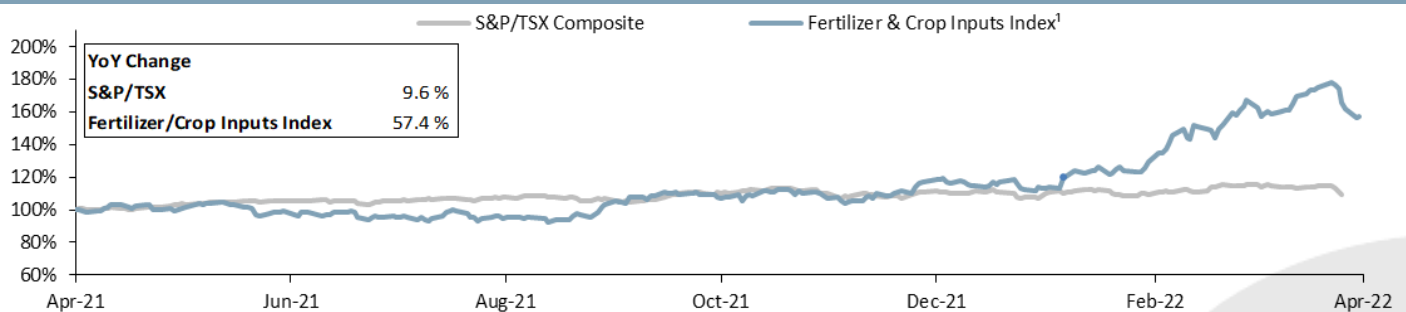


FERTILIZERS AND CROP INPUTS

News Scan

- On April 13th, **Gensource Potash Corp. (“Gensource”)**, a Canadian fertilizer development company, announced it has reached a binding agreement to acquire **Innovare Technologies Ltd.**, a privately-held developer of patented selective solution mining and brine processing technology for the recovery of potash and other soluble minerals, for US\$11.5 million. This transaction will strengthen Gensource’s differentiated market position as a near term potash producer into a market that continues to see global supply challenges
- On April 11th, **Keras Resources PLC (“Keras”)** announced its acquisition of a 49% minority stake in **Falcon Isle Resources LLC** and **Falcon Isle Holdings LLC**, both Utah-based developers and processors of organic phosphate mineral resources, along with the **Diamond Creek** organic phosphate lease and mine, for total consideration of US\$3.2 million. This transaction will position Keras favourably in the growing organic phosphate market in the US
- On April 5th, **Michigan Potash & Salt CO., LLC (“MPSC”)**, a US-based potash and salt company, announced it has signed an offtake agreement with an unnamed US-based agricultural company to take and distribute 100% of its first phase potash fertilizer production. Under the agreement, MPSC and the company will provide US farmers with 650,000 tpy of ultra-high grade, white potash fertilizer to help strengthen domestic food security
- On April 5th, **Agrimin Limited**, an Australian potash company, announced it has signed a binding offtake agreement with **Gavilon Fertilizer, LLC**, a global wholesale distributor of crop nutrients, for the supply of 50,000 tpy of sulfate of potash produced from the Mackay Potash Project for sale and distribution in the US

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

Market	Market		TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
	Cap	TEV	2022E	2023E	2022E	2023E		
Nutrien Ltd.	54,738	63,683	5.9x	7.5x	8.6x	11.0x	(12.2)%	(14.3)%
CF Industries Holdings, Inc.	19,866	25,029	4.3x	6.6x	5.9x	9.0x	(13.7)%	(16.3)%
The Mosaic Company	23,450	27,590	4.0x	5.3x	5.4x	7.0x	(18.5)%	(19.7)%
Yara International ASA	12,692	16,129	6.8x	6.4x	4.6x	10.1x	(8.1)%	(8.5)%
Nufarm Ltd.	1,792	2,196	7.0x	7.6x	24.1x	21.9x	3.6%	(0.6)%
Mean			5.6x	6.7x	9.7x	11.8x	(9.8)%	(11.9)%

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

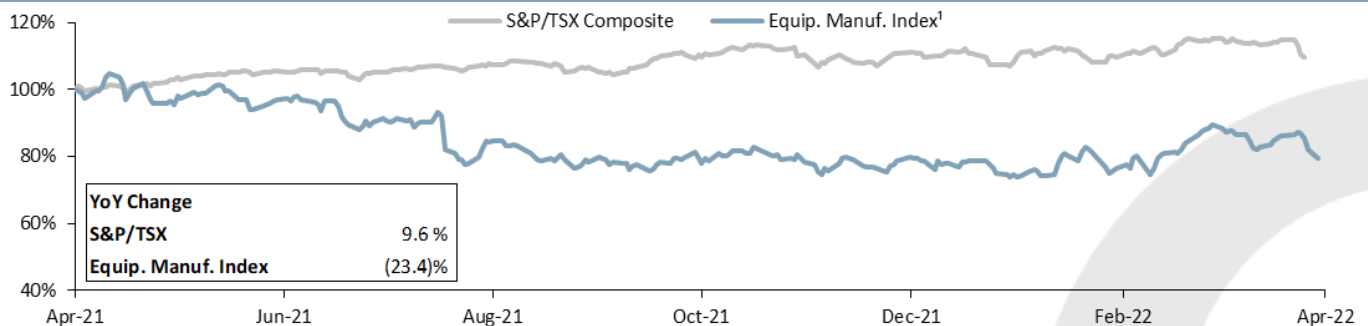


EQUIPMENT AND TECHNOLOGY

News Scan

- On April 26th, **COFRA Holdings AG (“COFRA”)**, a Switzerland-based family office for the Brenninkmeijer family, announced its acquisition of **Ontario Plants Propagation Limited**, the leading supplier of high-quality starter plants to greenhouse growers in North America, for an undisclosed sum. This acquisition marks the latest step in COFRA’s diversification strategy, focusing on businesses tackling some of the world’s largest social and environmental challenges
- On April 20th, **Krone North America, Inc. (“Krone”)**, a US-based hay and forage equipment provider, and **Hustle Equipment USA, Inc. (“Hustle Equipment”)**, a US-based farming machinery developer, announced a collaborative concept – “From Field To Feed” – designed to deliver innovative, high-quality farm equipment to livestock farmers looking to improve forage quality. With this collaboration, Krone will help to distribute Hustler Equipment to farmers across the US
- On April 15th, **Far West Equipment Dealers Assn. (“FWEDA”)** announced its partnership with **World FIRA**, one of the world’s largest events in Ag Robotics, for **FIRA USA**, an event that will be taking place in California, USA from October 18th to October 20th, 2022. FWEDA’s partnership with FIRA USA will offer equipment dealers a venue to showcase their products and demonstrate how equipment advances ag robotics and automation
- On April 6th, **Trelleborg Group**, a global engineering group focused on polymer technology, announced it has signed an agreement to divest its **Trelleborg Wheel Systems** business to **Yokohama Rubber Company (“Yokohama Rubber”)**, a Japanese tire company, for €2.1 billion. This transaction is expected to further expand Yokohama Rubber’s tire business in the agricultural and construction machinery industry
- On April 5th, **Gevo, Inc.**, a US-based renewable chemicals and advanced biofuels company, and **Farmers Edge Inc.**, a global leader in digital agriculture, announced they have signed a memorandum of understanding to work together to deliver a one-of-a-kind, carbon inset management program. This collaboration is expected to support the sustainable development and full carbon lifecycle tracking of a carbon intensity score from low-carbon grain to renewable fuels production
- On April 1st, **Ag-Pro Companies (“Ag-Pro”)**, the largest John Deere equipment dealer in North America, announced its acquisition of **Findlay Implement Company**, a US-based operator of 8 John Deere dealerships across Northwest Ohio, for an undisclosed amount. Upon completion of the transaction, Ag-Pro will provide customers across Ohio with a greater access to service technicians and a larger variety of inventory

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		
Deere & Company	117,121	168,507	16.3x	13.7x	15.8x	14.5x	(12.9)%	(14.5)%
AGCO Corporation	9,136	10,039	6.4x	5.9x	10.6x	9.2x	(13.5)%	(22.7)%
Ag Growth International Inc.	554	1,222	7.6x	6.9x	11.8x	9.6x	(7.8)%	(18.1)%
CNH Industrial N.V.	14,620	29,494	13.9x	12.3x	10.2x	9.0x	(12.9)%	(29.9)%
Farmers Edge Inc.	90	58	neg	neg	neg	neg	(9.3)%	(84.8)%
Mean			11.1x	9.7x	12.1x	10.6x	(11.4)%	(18.5)%

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

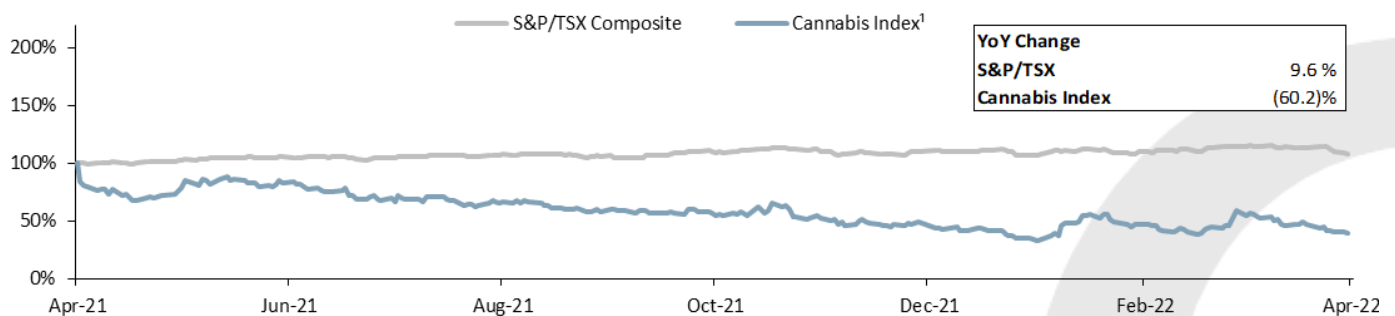


CANNABIS AND HEMP

News Scan

- On April 20th, **The Flowr Corporation (“Flowr”)**, a Toronto-headquartered global cannabis company, announced it has entered into a definitive agreement to sell **Holigen Holdings Limited**, a Malta-based cultivator and distributor of medical cannabis products, to **Akanda Corp.**, a UK-based international medical cannabis and wellness platform company, for total consideration of C\$35 million. Following this divestiture, Flowr will be able to strengthen its balance sheet and preserve its core European operations
- On April 12th, **HEXO Corp. (“HEXO”)**, a producer of high-quality cannabis products, announced it has entered into definitive agreements with **Tilray Brands, Inc. (“Tilray”)**, a global cannabis company, and **KAOS Capital Inc.**, a Canadian cannabis venture, to create a strategic alliance. With this partnership, HEXO and Tilray will achieve a combined cost savings of up to US\$80 million within 24 months due to shared support services, commercial alliances, and production efficiencies
- On April 12th, **Curaleaf Holdings Inc. (“Curaleaf”)**, an international provider of consumer CBD and hemp products, announced it has signed a partnership agreement with **WB Canna Co. & Wellness**, the subsidiary of **WEBB Banks**, a US-based premium wine and spirits and top-quality CBD products distributor. This agreement will bring Curaleaf’s lineup of products from its eponymous hemp and select CBD product lines to customers in the US
- On April 8th, **Jushi Holdings Inc. (“Jushi”)**, a vertically integrated, multi-state cannabis operator, announced that it has closed its previously announced agreement to acquire **NuLeaf, Inc. (“NuLeaf”)**, a Nevada-based vertically integrated operator, for US\$53.6 million. With this transaction, NuLeaf’s facilities will strengthen Jushi’s cultivation and processing capabilities in Nevada
- On April 5th, **NUGL Inc. (“NUGL”)**, a US-headquartered search directory and multimedia platform for the cannabis industry, announced the completion of its acquisition of **Kaya, Inc.**, a medical cannabis company in Jamaica, in an all-stock transaction. This acquisition allows NUGL to develop a presence in Jamaica and other Caricom countries, a few of the countries with the fastest growing cannabis markets

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	2,100	2,197	4.3x	4.3x	neg	neg	(9.4)%	(80.5)%
Tilray, Inc.	2,523	3,034	5.1x	4.5x	nmf	26.5x	(10.1)%	(76.6)%
Cronos Group Inc.	1,090	314	3.0x	1.7x	neg	nmf	(9.3)%	(67.3)%
Aurora Cannabis Inc.	659	728	4.0x	4.0x	neg	neg	(10.7)%	(70.8)%
OrganiGram Holdings Inc.	439	338	4.8x	3.0x	45.3x	17.7x	(12.7)%	(58.0)%
Mean			4.2x	3.5x	45.3x	22.1x	(10.4)%	(70.6)%

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 April 26th, **Statistics Canada** announced the total wheat production in the country is forecast to increase by 7.2% to 25.0 million acres and the total canola production is forecast to decrease by 7.0% to 20.9 million acres in 2022. The seeding decision was likely influenced by ongoing uncertainty due to the COVID-19 pandemic and international geopolitical conflicts
- On April 20th, **Statistics Canada** announced a 6.7% inflation rate in the month of March, surging more than expected and hitting a 31-year high. The higher-than-expected number increases the likelihood of the **Bank of Canada** making another large rate hike when it next meets in June, with the hope to combat the rising gasoline and food prices
- On April 19th, the **International Monetary Fund** slashed its forecast for global economic growth by nearly a full percentage point, citing the Russia-Ukraine conflict. The war has exacerbated inflation that already had been rising in many countries due to imbalances in supply and demand linked to the pandemic, with additional bottlenecks in global food and oil and gas supply chains likely to be caused by the latest lockdowns in China
- On April 18th, **Reuters** reported a rise in wheat prices last week amid active supplies from Russia's Black Sea ports due to signs of weakening exports. Prices for wheat with a 12.5% protein content in May from the Black Sea ports were up USD\$2 to USD\$370, and the price range continues to remain wide
- On April 14th, the **Canadian Food Inspection Agency** confirmed the presence of avian influenza at a farm in British Columbia. The province has ordered all commercial poultry flocks with more than 100 birds to be moved indoors until the wildfowl migration period ends next month
- On April 14th, **FarmLink Marketing Solutions**, a Canadian grain marketing advisory and consulting services provider, announced the ongoing Russia-Ukraine conflict is expected to reduce Ukraine's barley production by 35% and exports by 47%. Major agriculture players are now relying on a favourable crop outcome in Australia, the second largest barley exporter in the world, to avoid supply chain issues
- On April 12th, the **European Commission**, the **European Union's ("EU")** executive arm, proposed an aid package of €500 million to help farmers who have been hit by shortages of fertilizer and other supplies, as the EU scrambles to alleviate food-related stresses due to the war in Ukraine
- On April 8th, the **United Nations' Food and Agriculture Organization ("FAO")** announced the devastating effects on the food and agriculture industry in Ukraine, Russia, and the rest of the world due to the ongoing war. Globally, the war has been deemed largely responsible for a 17% rise in grain prices in April. The FAO's food price index, which tracks monthly changes for a group of commodities, rose 12.6% from February to March
- On April 1st, **Bloomberg** reported that global food processors are now being forced to find alternatives to sunflower oil, which has become scarce and expensive due to Russia's invasion of Ukraine. Unfortunately, many of the alternatives have environmental regulation problems, putting additional operation pressures on the food processors along with the possibility of a supply chain disruption

Commodities Futures as of April 28, 2022

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$8.02	7.08 %	21.90 %
Wheat (CBOT)	\$ per bu.	\$10.95	3.60 %	48.07 %
Oats (CBOT)	\$ per bu.	\$6.94	(8.20)%	68.86 %
Rough Rice (CBOT)	\$ per cwt.	\$17.10	7.14 %	26.29 %
Rapeseed (Canola) (ICE)	CAD per T	\$1,107.80	(3.10)%	58.62 %
Ethanol (CBOT)	\$ per gal.	\$2.16	-	(1.77)%

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



Origin Merchant Partners

220 Bay Street, Suite 1500
P.O. Box 23, Toronto, Ontario
M5J 2W4

Andrew Muirhead

Principal
T: 416-800-0697
andrew.muirhead
@originmerchant.com

OMP Agri-food Team:

Jim Osler

Principal
T: 416-800-0784
jim.osler
@originmerchant.com

Rob Penteliuk

Principal
T: 416-800-1780
rob.penteliuk
@originmerchant.com

Shaun Quennell

Director
T: 416-800-1768
shaun.quennell
@originmerchant.com

Christopher Solda

Vice President
T: 416-800-0462
christopher.solda
@originmerchant.com