



Agriculture Industry Flash

Tuesday, June 28th, 2022

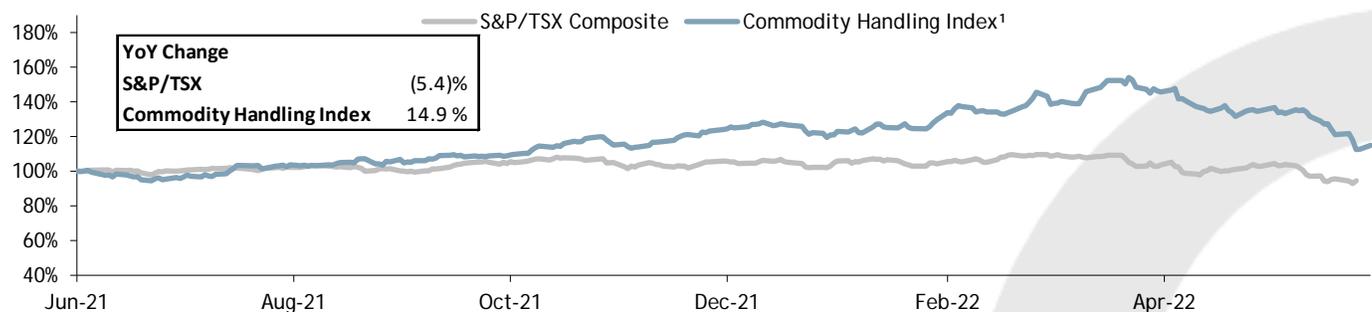


COMMODITY HANDLING

News Scan

- On June 21st, **Redwood Capital Investments (“Redwood”)**, a US-based holding company that invests in long-standing family-owned businesses, announced it has entered into an agreement to acquire **Grain Craft**, the largest independent milling company in the US, for an undisclosed amount. Pending regulatory approvals, this deal is expected to close in Q3 2022, and Grain Craft will continue to operate as an independent business following the transaction
- On June 14th, US Agribusiness cooperative **CHS Inc.**, announced its intent to build a new shuttle grain facility in Erskine, Minnesota. Construction is expected to begin this summer and upon completion, the facility will add an additional 1.25 million bushels of grain storage capacity, expanding CHS’ operational capabilities in the region
- On June 14th, **The Hansen-Mueller Co. (“Hansen-Mueller”)**, a US-based commodities trading business, announced its acquisition of **General Mills Elevator A**, a Minnesota-based grain elevator with 3.5 million bushels of storage capacity, for an undisclosed amount. Hansen-Mueller intends to bring this elevator into operation for the 2022 harvest season and establish a strong presence in the small grains trade market
- On June 14th, **Viserion Milling (“Viserion”)**, a newly formed subsidiary of **Viserion International Holdco**, announced it has entered into an agreement to acquire **Western Milling**, one of the oldest and largest industrial providers of mixed grain cattle feed products to the dairy industry, from **Kruse Western**, a US-based commodity merchandising company, for an undisclosed sum. This transaction is expected to significantly increase Viserion’s presence in California
- On June 3rd, **Ceres Global Ag (“Ceres”)** announced its wholly owned subsidiary, **Riverland Ag Corp.**, has acquired a 50% membership interest in **Berthold Farmers Elevator**, a US-based grain operator and merchandiser, for an undisclosed sum. Upon completion of this transaction, Ceres will continue to advance its strategic plans by increasing the origination of its core products (Ceres more importantly announced the termination/delay of plans to construct a canola crush facility in Northgate, SK)

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		
ADM	42,788	56,750	8.9x	9.4x	12.3x	12.8x	(3.8)% (23.1)%
Bunge Limited	13,795	21,376	6.7x	6.9x	7.3x	7.9x	(9.3)% (29.2)%
The Andersons, Inc	1,110	3,448	11.1x	10.1x	12.5x	11.3x	(6.2)% (43.7)%
Graincorp Limited	1,461	3,026	6.3x	10.9x	6.6x	11.1x	(3.7)% (13.8)%
United Malt Group Limited	705	1,007	12.5x	7.8x	25.2x	14.1x	(1.2)% (28.8)%
Ceres Global Ag	78	183	na	na	na	na	(24.5)% (45.3)%
Mean			9.1x	9.0x	12.8x	11.4x	(8.1)% (30.7)%

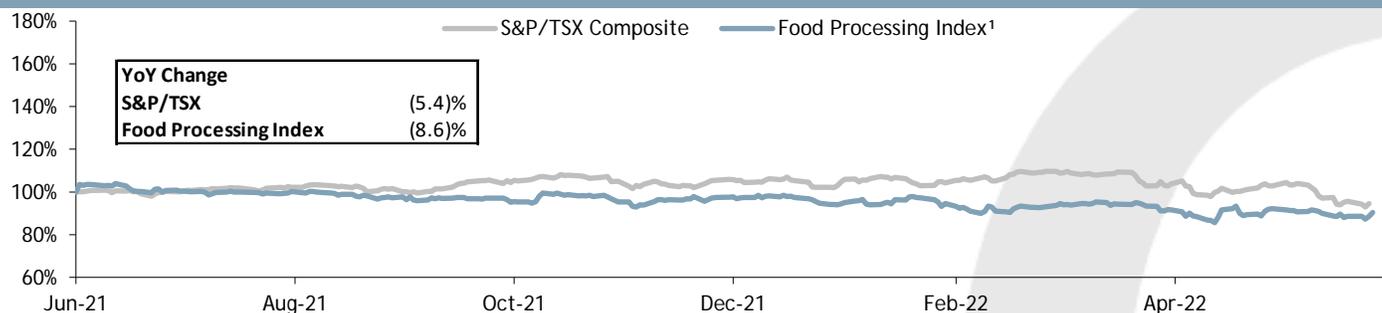


FOOD PROCESSING

News Scan

- On June 23rd, **Vision Ridge Partners**, an American investment firm with US\$2.5 billion of investments in “sustainable” assets, became the majority controlling shareholder in **Vegpro International (“Vegpro”)**. Vegpro is a vegetable production company growing and packaging ready-to-eat spinach, baby lettuce, carrots, and fresh salads. Financial terms of the deal have not been disclosed, but it has been confirmed that the Vegpro farmland will continue to be locally owned
- On June 21st, **Mondelez International (“Mondelez”)**, one of the world’s largest snack companies, announced its acquisition of **Clif Bar & Company**, a US-based company specializing in sports nutrition snacks, for US\$2.9 billion. This deal is expected to significantly expand Mondelez’s global snack bar business (are there other brands in the portfolio of relevance etc)?
- On June 17th, **SYSTM Foods Company (“SYSTM Foods”)**, a US-based food and beverage brand platform, announced its acquisition of **Chameleon Organic Coffee**, a US-based organic cold brew coffee producer, and **Rebbl**, a plant-powered functional beverage brand, from **Nestlé USA**, for an undisclosed amount. This acquisition is expected to help SYSTM Foods grow its portfolio of high-quality, plant-based innovative products
- On June 16th, US-based foodservice distribution company **Honor Foods** announced its acquisition of **Sommer Maid Creamery (“Sommer Maid”)**, a US-based family-owned foodservice redistributor of dairy products, for an undisclosed sum. Upon completion of this transaction, Sommer Maid’s significant presence in the southeast will enable Honor Foods to expand its presence in the south
- On June 13th, **Standard Meat Company (“Standard Meat”)**, a global supplier of custom meat products, announced its acquisition of **Syracuse Sausage**, a US-based meat manufacturer, for an undisclosed sum. With this transaction, Standard Meat will further diversify its product offerings and leverage new sales opportunities
- On June 10th, **Katjes Greenfood (“Katjes”)**, a German impact investor in sustainable food brands, announced its acquisition of **Genius Foods**, a UK-based gluten-free baked goods manufacturer, for an undisclosed sum but reported to be its largest transaction to date. Following this transaction, Katjes plans to expand its presence in the gluten-free market in the US, Europe, and Australia
- On June 9th, US-based private equity investor **Atlas Holdings** announced its acquisition of **Foster Farms**, a California-based poultry company, for an undisclosed amount. Under the leadership of former Tyson Foods chief executive Donnie Smith, Foster Farms is expected to expand its product offerings and increase market share across the US

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.	9,137	12,271	12.1x	9.4x	21.6x	15.2x	5.0%	(23.8)%
Ingredion Incorporated	5,956	8,013	8.1x	7.7x	12.6x	11.6x	1.1%	(13.2)%
Tate & Lyle plc	3,815	4,607	11.0x	11.9x	18.5x	15.1x	0.7%	(17.3)%
Premium Brands	3,303	4,922	11.2x	9.7x	17.8x	14.7x	(1.0)%	(32.5)%
Maple Leaf Foods Inc.	2,497	3,688	9.9x	7.1x	21.0x	11.7x	(3.0)%	(21.1)%
SunOpta Inc.	823	1,115	19.8x	14.9x	nmf	nmf	10.2%	(33.8)%
Rogers Sugar	502	812	9.7x	9.6x	14.9x	14.0x	(1.0)%	(4.8)%
High Liner Foods Incorporated	321	567	7.7x	7.1x	10.0x	8.7x	(1.2)%	(20.4)%
Mean			11.2x	9.7x	16.6x	13.0x	1.4%	(20.9)%

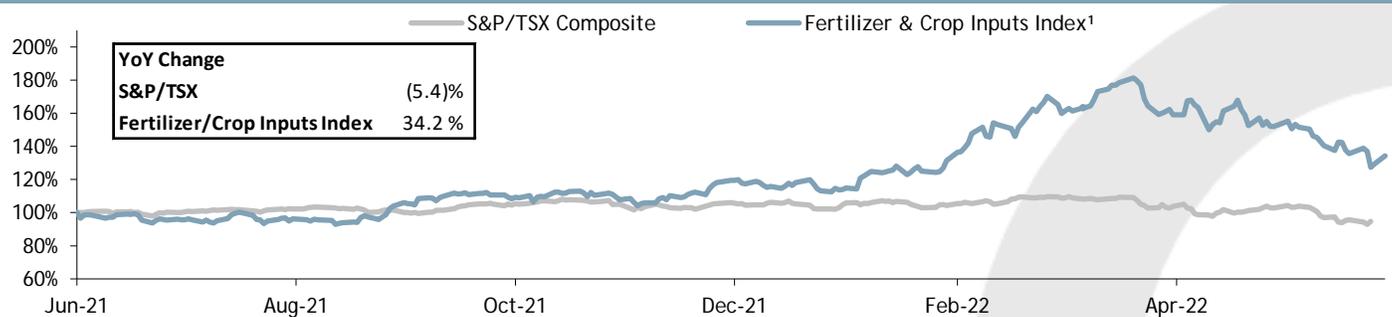


FERTILIZERS AND CROP INPUTS

News Scan

- On June 21st, **CF Fertilisers UK**, a subsidiary of CF Industries Holdings, announced its proposal to restructure its operations in the UK. Upon approval of the proposal, CF Fertilisers UK will permanently close its manufacturing facility near Chester and optimize its Billingham manufacturing operations to reposition the business for long-term profitability and sustainability
- On June 21st, **Gensource Potash Corporation ("Gensource")**, a Saskatchewan-based potash producer, announced that its strategic investor **HELM AG ("HELM")**, a German family-owned fertilizer company, has furthered its commitment to the Tugaske, Saskatchewan Project. Together, Gensource and HELM will double the overall potash production capacity of the Tugaske Project from 250,000 tonnes per year to 500,000 tonnes per year
- On June 17th, **KEPCO, Samsung C&T, and Korea Western Power** announced an agreement with **Petrolyn Chemie**, a UAE-based differentiated energy development and investment company, to construct a renewable ammonia production plant in Abu Dhabi with the goal to reduce UAE's carbon footprint. The plant will have the capacity to produce 35,000 tonnes of green ammonia per year, and upon full production, will produce up to 200,000 tonnes per year
- On June 15th, **Yara International ASA** announced it has signed a memorandum of understanding with the **Japan Bank for International Cooperation ("JBIC")** to support Japanese companies' business development towards a decarbonized society. The memorandum of understanding will accelerate Yara's aim to form an international fuel ammonia supply chain
- On June 9th, **Nutrien Ltd.**, announced its plans to accelerate fertilizer production in response to global supply challenges. The company plans to boost its production capability to 18 million tonnes per annum by 2025, a 40% increase from 2020
- On June 6th, **ACME Group**, a global sustainable and renewable energy company, announced it has signed a memorandum of understanding with the **Government of Karnataka** for a US\$7 billion renewable hydrogen and ammonia project in India. The project is expected to complete by 2027 and will feature a 1.2 million tonnes per year ammonia plant and a captive solar power installation

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		
Nutrien Ltd.	46,164	55,977	4.7x	6.1x	6.2x	7.9x	(2.2)%	(27.1)%
CF Industries Holdings, Inc.	18,111	22,161	3.5x	5.1x	4.7x	6.5x	(4.2)%	(23.5)%
The Mosaic Company	17,644	21,794	2.7x	3.7x	3.5x	4.7x	(4.3)%	(38.5)%
Yara International ASA	11,275	14,712	6.8x	6.4x	4.5x	6.5x	(3.5)%	(14.5)%
Nufarm Ltd.	1,367	1,882	6.1x	6.2x	16.2x	16.9x	4.6%	(25.3)%
Mean			4.7x	5.5x	7.0x	8.5x	(1.9)%	(25.8)%

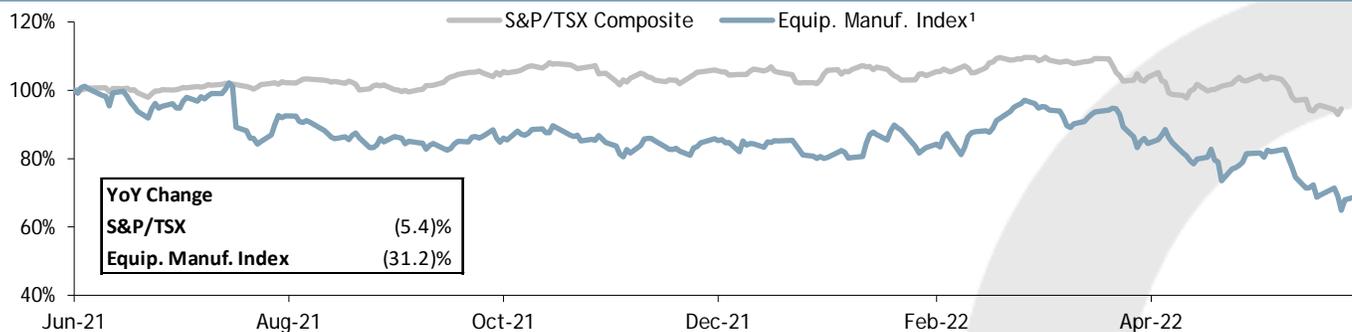


EQUIPMENT AND TECHNOLOGY

News Scan

- On June 18th, **AMAZONE Group** (“AMAZONE”), a German manufacturer of agricultural machinery, announced its acquisition of a minority stake in **AgXeed B.V.** (“AgXeed”), a Dutch agri-machinery start-up, for an undisclosed sum. The integration of AMAZONE’s products with AgXeed’s autonomous platform will enable better agronomic and strategic management for its customers
- On June 16th, UK-based science-oriented ingredient company **Moolec Science** (“Moolec”), announced it has entered into an agreement to merge with **LightJump Acquisition Corp.**, a US-based SPAC, at a proforma equity value of US\$504 million. This transaction is expected to support Moolec’s research and development, regulatory approval efforts, and the mainstream commercialization of its products
- On June 9th, **AGCO Corporation** announced its partnership with **Apex.AI**, a US-based company developing certified software for mobility and autonomous applications, to improve robotic planting. Under this partnership, AGCO will integrate the Apex.OS software to its autonomous farming robot, significantly increasing its operational efficiency
- On June 3rd, **Linamar Corporation** (“Linamar”), a Canadian-based agriculture equipment manufacturer, announced the completion of its acquisition of **Salford Group**, a North American manufacturer of tillage and application equipment, for an undisclosed amount. The acquisition will position Linamar as a leading equipment OEM and is an important milestone in the expansion of its agriculture portfolio
- On June 3rd, **Mucci Farms**, an Ontario-based family-owned indoor fruit and vegetable grower, announced it has received an undisclosed but significant strategic investment from **Cox Enterprises**, a privately-owned global conglomerate. This partnership represents the next phase in Cox’s strategy to build a multi-billion dollar controlled environment agriculture (CEA) business
- On June 1st, **Tellus Equipment** (“Tellus”), one of the largest John Deere dealers in North America, announced its acquisition of **Clark Tractor and Supply**, a US-based family-owned company selling John Deere agricultural and consumer equipment, for an undisclosed amount. The acquisition will expand Tellus’ reach to 24 stores and will advance the company’s growth plans in Texas

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
Deere & Company	96,376	148,877	13.0x	12.3x	13.0x	11.8x	(0.7)%	(29.4)%
AGCO Corporation	7,630	9,171	5.8x	5.3x	8.6x	7.8x	(4.9)%	(31.9)%
Ag Growth International Inc.	454	1,194	7.4x	6.7x	10.8x	8.1x	6.2 %	(30.0)%
CNH Industrial N.V.	12,923	27,696	12.5x	11.3x	9.0x	8.1x	(1.6)%	(37.6)%
Farmers Edge Inc.	57	39	neg	neg	neg	neg	9.4 %	(86.0)%
Mean			9.7x	8.9x	10.4x	9.0x	0.2 %	(30.4)%

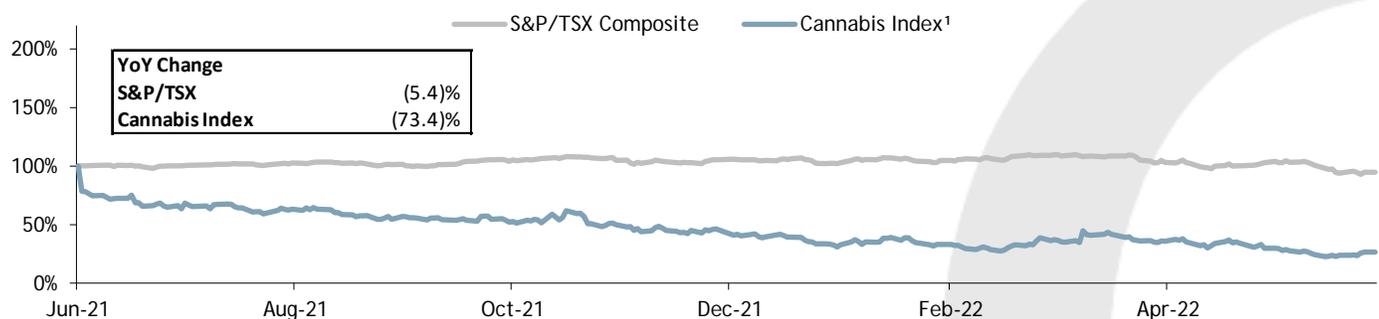


CANNABIS AND HEMP

News Scan

- On June 14th, **HEXO Corp. ("HEXO")**, a US-based producer of high-quality cannabis products, announced it has entered into an amending agreement to the previously announced transaction agreements with **Tilray Brands Inc ("Tilray")**, a global cannabis company, and **KAOS Capital Inc.**, a Canadian cannabis venture, due to current market conditions and volatility. The amended agreement is expected to reduce closing risk related to the pre-amendment minimum liquidity closing condition, improve HEXO's capital structure, and provide accelerated growth opportunity in global markets
- On June 9th, **Lantern**, a US-based on-demand e-commerce marketplace and home delivery platform, announced its partnership with **Doobie**, a customer cannabis delivery service operating in various US markets, to directly fulfill delivery orders placed on Lantern's website. The partnership will expand both companies' market presence and consumer reach, further supporting growth opportunities
- On June 2nd, **TILT Holdings Inc ("TILT")**, a global provider of cannabis business solutions, announced it has entered into a manufacturing and distribution partnership with **Highsman**, a US-based sports-centered cannabis lifestyle brand. Following this partnership, TILT will launch Highsman products in both Massachusetts and Pennsylvania, further expanding TILT's brand partners and portfolio
- On June 1st, **High Tide Inc. ("High Tide")**, a Canada-based retail-focused cannabis company, announced its acquisition of **Livonit Foods Inc. ("Bud Haven")**, an Ontario cannabis retail operator, for C\$2.8 million. With this acquisition, High Tide will continue to consolidate the Ontario cannabis retail space and become a meaningful player in communities of all sizes across the province
- On June 1st, **Verano Holdings Corp ("Verano")**, a leading multi-state cannabis company, announced its exclusive partnership with **The Weldon Project**, a non-profit organization, to support their Mission Green initiative, an initiative promoting clemency for cannabis-related offenses. This partnership is expected to contribute to Verano's ongoing cannabis social justice initiative
- On May 31st, **Khiron Life Sciences ("Khiron")**, a Canadian-based global leader in medical cannabis, announced it has entered into an agreement to acquire **Pharmadrug GmbH**, a Germany-based manufacturer and wholesaler of medical products, for C\$2.0 million. This transaction will provide Khiron with a European manufacturing and distribution centre for cannabinoid-based medicines with EU-GMP certification

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ Price	Δ Price 52Wk High
			2022E	2023E	2022E	2023E		
Canopy Growth Corporation	1,530	1,634	3.1x	3.5x	neg	neg	11.9 %	(84.5)%
Tilray, Inc.	1,812	2,315	3.8x	3.4x	40.1x	20.2x	12.2 %	(80.3)%
Cronos Group Inc.	1,161	408	4.4x	2.6x	neg	28.6x	10.2 %	(64.6)%
Aurora Cannabis Inc.	464	434	2.4x	2.6x	neg	neg	17.5 %	(82.9)%
OrganiGram Holdings Inc.	339	236	3.3x	2.1x	27.5x	11.7x	13.0 %	(64.5)%
Mean			3.4x	2.9x	33.8x	20.2x	13.0 %	(75.4)%



ADDITIONAL NEWS AND AGRICULTURE COMMODITIES UPDATE

News Scan

- On June 23rd, **Viterra Inc.** and **Bunge Ltd.** both reported that one of their grain facilities in Ukraine has been destroyed by Russian forces. The destruction of these facilities represents another contributing factor to the rising global food costs and decline in food security
- On June 21st, **Sovecon**, a Russia-focused agriculture consultancy firm, announced it has raised its estimate for the 2022 Russian wheat harvest to 89.2 million tonnes, an increase of 0.6 million tonnes, amid an improved outlook for the spring wheat harvest
- On June 20th, **Citri&Co**, a Spanish vertically integrated fresh fruit company backed by **Miura Partners**, announced it has formed a long-term strategic alliance with the **Public Sector Pension Investment Board (“PSP Investments”)**, a Canadian pension investment manager, to acquire and manage agricultural land in Spain. Under this partnership, PSP Investments will acquire the farmland while Citri&Co will operate and manage the farmland, leveraging its decades of experience and technical expertise
- On June 16th, **Coldiretti**, an Italian farm organization, announced they have forecast of a 15% drop in total wheat production in Italy. This announcement has caused significant concern as Italy accounts for 50% to 60% of all durum production in the European Union
- On June 15th, the **United Arab Emirates Ministry of Economy** issued a ministerial decision to halt all Indian wheat exports for the next four months, except for companies backed by previously issued letters of credit. The ministry cited interruptions to global trade flow as the reasoning behind this ban
- On June 15th, the **US Department of Agriculture** reported on the record-high US soybean oil price with a US\$150 premium per tonne over South American soybean oil, up from US\$20 per tonne in April. This trend is believed to reflect a stronger domestic demand for the product relative to Brazil and Argentina
- On June 14th, **US President Joe Biden** announced the intention to construct temporary grain silos along the western borders of Ukraine in an effort to retrieve 20 million tonnes of grain that are currently inaccessible due to blocked seaports and Russian activity. It is hoped that the retrieval can help address grain shortages in the international market
- On June 9th, the **Rosario Grains Exchange**, an Argentinian commodities exchange, announced it has trimmed the country’s soybean production estimate to 40 million tonnes and corn outlook to 47.7 million tonnes, down from 40.5 million tonnes and 48 million tonnes, respectively, owing to the ongoing dry weather conditions
- On June 9th, **The Western Producer** reported an increased demand for tile drainage in the eastern Prairies to better manage waterlogged fields. Specifically, more corn and canola growers have expressed a rising interest in the drainage system to effectively manage their soil salinity levels
- On June 6th, the **Ministry of Agrarian Policy and Food of Ukraine** announced that the country has exported 148,000 tonnes of grain in the first five days of June, bringing the total for the 2021-2022 marketing year to 47.2 million tonnes. The country is currently exporting about 1 million tonnes of grain a month, down from 6 million before the start of Russia’s invasion, continuing to spark global grain shortage concerns and price spikes
- On June 1st, the **Biden Administration** announced its decision to invest US\$2.1 billion to strengthen the US food system. This investment is intended to target the weakened food supply chain, which has been negatively impacted by COVID-19 and Russia’s invasion of Ukraine, and lower inflation by late 2022

Commodities Futures as of June 28th, 2022

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$6.74	(7.83)%	29.80 %
Wheat (CBOT)	\$ per bu.	\$9.37	(10.06)%	46.16 %
Oats (CBOT)	\$ per bu.	\$5.18	(19.84)%	37.83 %
Rough Rice (CBOT)	\$ per cwt.	\$16.41	(4.23)%	21.47 %
Rapeseed (Canola) (ICE)	CAD per T	\$870.20	(17.50)%	17.67 %
Ethanol (CBOT)	\$ per gal.	\$2.16	-	(10.00)%



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