

January 2023

Industry Highlights on

Food & Agriculture

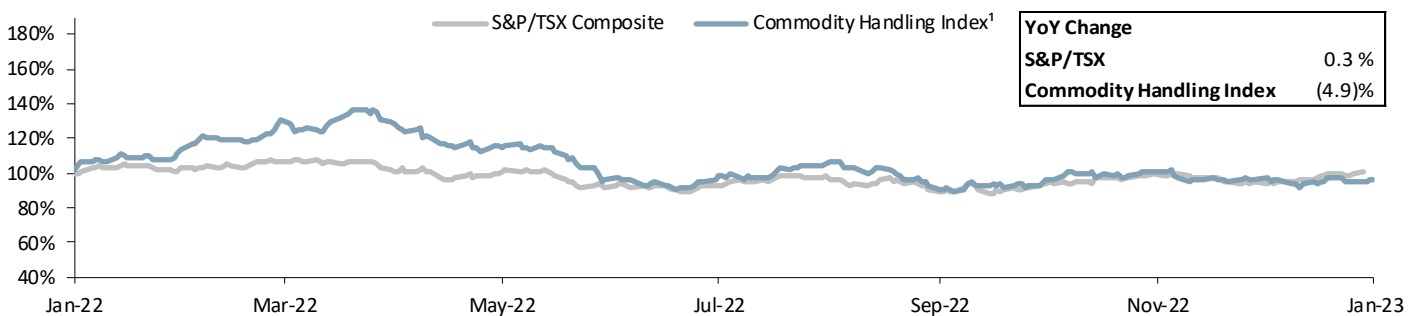


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On January 20th, **Cargill** announced that it has completed the acquisition of **Owensboro Grain Company**, a US-based soybean processing facility and refinery, for an undisclosed amount. The addition of Owensboro Grain Company will enhance Cargill's efforts to increase capacity across its North American oilseeds network
- ▶ On January 13th, **CHS Inc.** and **Cargill** announced the intent to expand the scope of their joint venture, **TEMCO LLC ("TEMCO")**, which currently operates three grain handling facilities in the Pacific Northwest, by adding the Cargill-owned export grain terminal in Houston, Texas. The addition will expand TEMCO's export capabilities, providing shipping access for grains, oilseeds and byproducts through the port of Houston
- ▶ On January 5, **Olam Group**, a Singapore-based global food and agri business, announced that it has sold a 35.43% minority stake in **Olam Agri Holdings Pte. Ltd. ("Olam Agri")**, a global food, feed and fiber agribusiness, to **Saudi Agriculture and Livestock Investment Co.** for \$1.24 billion. This partnership will accelerate Olam Agri's access into the large and high-growth Middle East markets

Relative Performance Index



Key Indicators

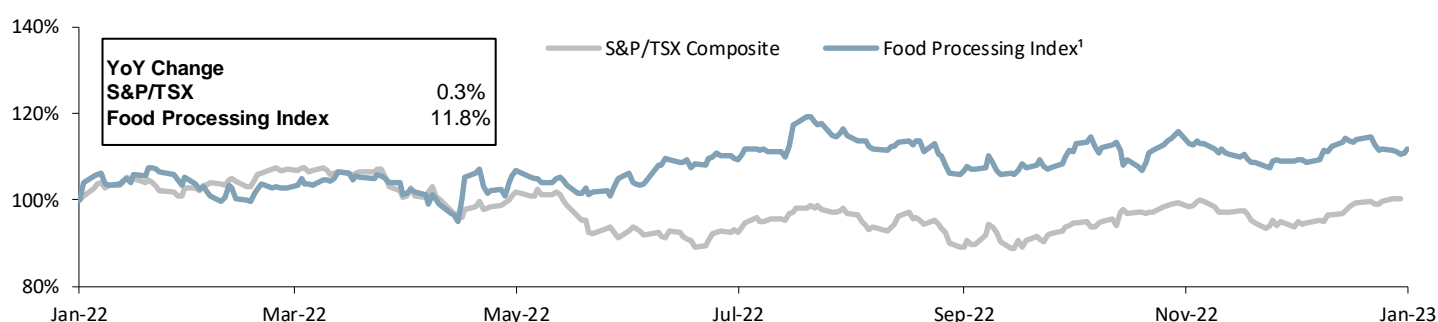
All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
ADM	46,813	56,366	8.8x	9.1x	12.1x	13.3x	(2.0)%	(15.4)%
Bunge Limited	14,513	21,230	6.6x	7.3x	8.0x	8.8x	(0.8)%	(24.0)%
The Andersons, Inc	1,208	2,639	8.1x	na	13.3x	na	1.0%	(38.8)%
Graincorp Limited	1,190	1,827	6.1x	8.8x	9.7x	17.8x	(1.2)%	(31.0)%
United Malt Group Limited	764	1,091	10.8x	8.3x	27.6x	16.7x	2.8%	(16.0)%
Ceres Global Ag	58	137	na	na	na	na	2.6%	(57.7)%
Mean			8.1x	8.4x	14.1x	14.2x	0.4%	(30.5)%

News Scan

- ▶ On January 24th, **Tenex Capital Management**, through its portfolio company **JTM Foods**, a US-based producer of snack pies and sweet treats, announced its acquisition of **Cookies-n-Milk (“CnM”)**, a US-based bakery and frozen dessert manufacturer, for an undisclosed amount. The deal will help CnM expand operations and accelerate growth
- ▶ On January 19th, **Sun Capital Partners, Inc. (“Sun Capital”)**, a US-based PE firm, announced its acquisition of **Fresh Origins**, a US-based grower and shipper of microgreens and edible flowers for foodservice and retail customers, for an undisclosed amount. Sun Capital’s extensive food industry expertise will help Fresh Origins embark on its next phase of growth
- ▶ On January 12th, **Azure Standard**, a US-based distributor of organic and non-GMO foods, announced that it has acquired **Sweet Creek Foods**, a US-based producer of fruit spreads, sauces, pickles, and tuna, for an undisclosed amount. The acquisition will expand Azure Standard’s access to retailers
- ▶ On January 11th, **Advent International**, through its portfolio company **IRCA**, an Italy-based provider of chocolate, creams, and semi-finished food ingredients, announced that it has entered into exclusive negotiations to acquire the trade and assets of **Sweet Ingredients Portfolio**, a leading manufacturer of sweet and cereal products, from **Kerry Group plc**, for €500 million. The complementary products of the combined entity will help to accelerate its growth
- ▶ On January 9th, **Brynwood Partners**, through its portfolio company **Hometown Food Company (“Hometown”)**, a US-based provider of baking goods, announced that it has acquired **Birch Benders**, a US-based producer of pancake and baking mixes, from **Sovos Brands, Inc.**, for an undisclosed amount. This acquisition is complementary to Hometown’s existing brand in the space, Arrowhead Mills
- ▶ On January 3rd, **Silver Bay Seafoods (“Silver Bay”)**, a US-based seafood processor, announced its acquisition of **Orca Bay Foods**, a US-based processor of seafood products, for an undisclosed amount. The acquisition allows Silver Bay to enter the secondary processing market

Relative Performance Index



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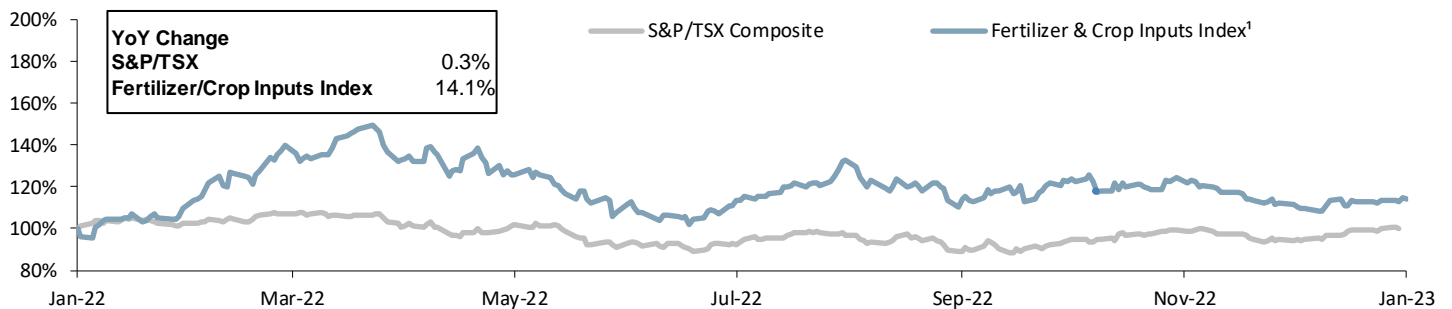
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	11,491	14,421	10.8x	9.8x	18.7x	15.3x	(0.8)%	(4.1)%
Ingredion Incorporated	6,645	9,043	8.3x	7.8x	12.4x	11.5x	(1.1)%	(3.7)%
Tate & Lyle plc	3,721	4,192	9.1x	8.5x	14.0x	13.0x	0.0%	(17.3)%
Premium Brands	3,095	4,795	9.9x	9.0x	16.3x	14.4x	2.8%	(29.0)%
Maple Leaf Foods Inc.	2,344	3,670	8.5x	6.7x	17.9x	10.4x	2.6%	(21.3)%
SunOpta Inc.	655	973	12.8x	na	nmf	na	(1.6)%	(32.2)%
Rogers Sugar	452	758	9.2x	na	13.1x	na	2.3%	(12.6)%
High Liner Foods Incorporated	356	541	6.9x	6.3x	10.0x	8.2x	2.1%	(1.7)%
Mean			9.4x	8.0x	14.6x	12.1x	0.8%	(15.2)%

News Scan

- ▶ On January 25th, **GROWMARK, Inc. ("GROWMARK")**, a US-based agricultural cooperative, announced the acquisition of the remaining minority interest in **Allied Seed, LLC.**, a US-based full-service grass seed and forage seed company, from **GreenPoint Ag Holdings, LLC**, a US-based agricultural input retailer, for an undisclosed amount. The deal positions GROWMARK well to meet the increasing demand for cover crops
- ▶ On January 17th, **JERA Co, Inc. ("JERA")**, Japan's biggest power generator, signed ammonia supply memorandums of understanding with US-based **CF Industries** and **Norway-based Yara Clean Ammonia Norge AS**, as it aims to co-fire ammonia to reduce emissions. As part of the agreement, JERA and CF Industries, the world's top ammonia producer, would study potential supply options, including an equity investment alongside CF Industries to develop a greenfield clean ammonia facility in Louisiana, as well as a supplementary long-term offtake agreement from CF Industries
- ▶ On January 10th, **Genesis Axis**, a subsidiary of **Genesis Drug Discovery and Development**, announced that it has acquired **Organochem**, a Hungary-based provider of a broad spectrum of smart chemistry products to agrochemical, pharmaceutical and biotechnology clients, for an undisclosed amount. The acquisition grows Genesis Axis's preclinical chemistry services portfolio

Relative Performance Index



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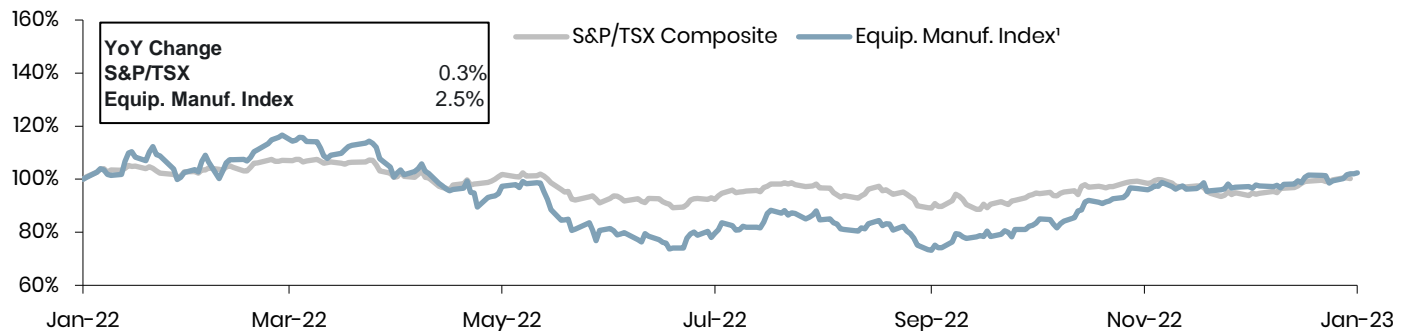
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	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Nutrien Ltd.	42,028	41,984	5.3x	6.6x	9.2x	11.9x	4.8 %	(27.3)%
CF Industries Holdings, Inc.	16,299	20,207	4.2x	6.3x	5.7x	9.6x	(2.7)%	(30.5)%
The Mosaic Company	16,857	20,839	4.0x	5.5x	5.6x	7.8x	6.0 %	(37.6)%
Yara International ASA	11,576	1,556	6.8x	6.4x	nmf	nmf	0.6 %	(11.2)%
Nufarm Ltd.	1,603	2,025	6.1x	5.8x	16.3x	14.5x	0.0 %	(14.4)%
Mean			5.3x	6.1x	9.2x	11.0x	1.7 %	(24.2)%

News Scan

- ▶ On January 24th, **AgriFORCE Growing Systems Ltd.** (“AgriFORCE”) (NASDAQ: AGRI; AGRIW), a Canadian intellectual property-focused agtech company, announced that it has entered into a binding letter of intent to acquire **Berry People LLC**, a US-based berry business, for US\$28 million. The acquisition allows AgriFORCE to realize commercial synergies with UN(THINK), which aims at innovating in the specialty flour and grain-based products categories
- ▶ On January 19th, **Bayer AG** (“Bayer”), through its subsidiary **Bayer Crop Science**, announced its acquisition of **Combyne Ag** (formerly FarmLead), a Canadian grain marketing app company, for an undisclosed amount. Bayer is exploring how its Climate FieldView platform can work with Combyne Ag to improve farm operation management and decision-making as it relates to grain marketing
- ▶ On January 19th, **Easy Automation, Inc.**, a US-based supplier of automation technology and equipment to the feed manufacturing industry, announced that it has acquired the **IS Micro Ingredient System** product line from **AGCO**, for an undisclosed amount. The acquisition will further expand the company’s industrial feed mill equipment line
- ▶ On January 18th, **CNH Industrial**, through its **Ventures** arm, announced a minority investment in **EarthOptics**, a US-based ag tech company, for an undisclosed amount. The funding, part of EarthOptics Series B round, will help to further build out its sensor suite’s capabilities to boost acreage growth
- ▶ On January 3rd, **Benson Hill, Inc.** (“Benson Hill”) (NYSE: BHIL), a US-based food tech company, announced that it entered into agreements to sell the assets and equity related to its **Fresh business** to **IMG Enterprises**, a US-based agribusiness, for an aggregate purchase price of US\$21 million. The divestiture enables Benson Hill to enhance focus on its Ingredients business and meet growing demand for its proprietary soybean product portfolio

Relative Performance Index



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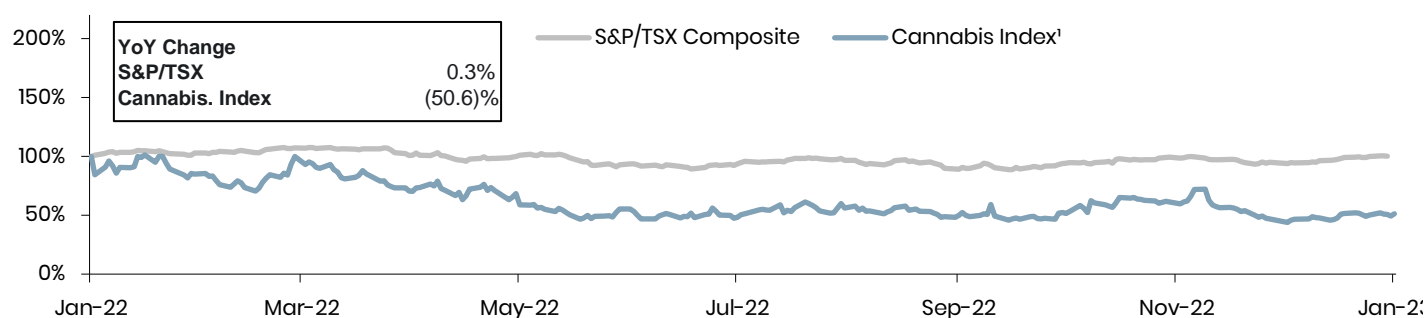
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Market	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2023E	2024E	2023E	2024E	Price	52Wk High
Deere & Company	124,265	174,306	14.7x	13.9x	14.8x	13.5x	2.3 %	(6.7)%
AGCO Corporation	10,351	12,292	7.0x	7.0x	10.3x	10.0x	2.5 %	(7.7)%
Ag Growth International Inc.	696	1,421	7.6x	6.9x	12.6x	10.2x	5.7 %	(1.2)%
CNH Industrial N.V.	17,684	31,718	14.6x	14.1x	10.9x	10.2x	5.0 %	(0.3)%
Farmers Edge Inc.	8	23	neg	neg	neg	neg	2.0 %	(93.7)%
Mean			11.0x	10.5x	12.1x	11.0x	3.5 %	(5.2)%

News Scan

- ▶ On January 26th, **Village Farms International, Inc. ("Village Farms")** (NASDAQ: VFF), a large-scale, controlled environment, agriculture-based and vertically integrated supplier, announced that it has entered into definitive agreements with certain institutional investors for the purchase and sale of 18,350,000 of its common shares together with warrants to purchase up to 18,350,000 common shares, for expected gross proceeds of approximately US\$25 million. Village Farm's Canadian subsidiary, Pure Sunfarms, is one of the single largest cannabis operations in the world
- ▶ On January 11th, **BLAZE**, a US-based provider of cannabis software suite and point-of-sale (POS) platform for cannabis dispensaries and delivery services, announced its acquisition of **Tymber**, a US-based e-commerce provider for cannabis retailers, for an undisclosed amount. The deal will help BLAZE offer a more holistic platform to manage cannabis e-commerce for its customers
- ▶ On January 4th, **Aurora Cannabis Inc. ("Aurora")** (NASDAQ: ACB) (TSX: ACB) announced that it has closed the sale of its **Aurora Polaris Facility** to an undisclosed buyer for gross proceeds of approximately US\$15 million. The sale is a part of Aurora's ongoing transformation plan and further strengthens its balance sheet, which is already in a net cash position
- ▶ On January 4th, **Sunset Island Group, Inc. ("SIG")** (OTC: SIGO), a US-based company that cultivates medical cannabis, announced that it has acquired **Calamus Brands**, a US-based company that manufactures and sells cannabis products, for an undisclosed amount. The acquisition will allow SIG to expand its greenhouse space from 10,000 square feet to 35,000 square feet

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
			2023E	2024E	2023E	2024E		
Canopy Growth Corporation	1,415	1,711	4.5x	4.3x	neg	neg	14.1 %	(68.1)%
Tilray, Inc.	1,976	2,164	3.4x	3.1x	27.9x	24.1x	7.8 %	(62.1)%
Cronos Group Inc.	937	288	1.7x	1.3x	neg	18.3x	0.9 %	(38.4)%
Aurora Cannabis Inc.	329	313	1.7x	1.6x	42.8x	neg	7.1 %	(78.3)%
OrganiGram Holdings Inc.	289	246	1.7x	1.4x	14.5x	9.5x	(0.8)%	(47.0)%
Mean			2.6x	2.3x	28.4x	17.3x	5.8 %	(58.8)%

News Scan

- ▶ On January 31st, **Reuters** reported that a significant drop in Ukraine’s grain harvest may lead to local food grain shortages and export restrictions in the coming year, as Ukraine’s 2023 grain harvest is likely to fall to 35 million to 40 million tonnes. This follows a 2022 grain harvest about of 51 million tonnes, down, due to the war, from a record 86 million tonnes harvested in 2021
- ▶ On January 30th, **World-Grain** reported that Australia is set for a third consecutive record grain crop and strong exports. Wheat production is estimated to have reached a record 37 million tonnes in marketing year 2022-23, up from 31.9 million tonnes in 2020-21 and 36.34 million tonnes in 2021-22.
- ▶ On January 25th, **Food Ingredients 1st** reported that the US FDA has issued draft guidance for the baby food industry regarding lead in processed foods intended for infants, babies and children under the age of two. The guidance is meant to decrease dietary exposure to the toxic heavy metal and reduce the potential for negative health effects
- ▶ On January 24th, **Successful Farming** reported that Mexico has failed to satisfy the “grave concerns” of the United States over a potential ban on imports of U.S.-grown GMO corn. If implemented, the ban would take effect in January 2024
- ▶ On January 19th, **Reuters** reported that India is not considering an increase in sugar exports, government and industry officials said on Thursday, dampening speculation that the world's biggest producer of the sweetener would permit a second tranche of overseas shipments
- ▶ On January 18th, **Food Ingredients 1st** reported that the Committee on the Environment, Public Health and Food Safety of the European Parliament gave the green light to a new deforestation regulation, which aims to cut deforestation globally by prohibiting the import of products from at-risk areas
- ▶ On January 11th, **Farm Forum** reported that, according to Stats Canada, Canada’s 2022 crop season produced a record corn harvest, with grain corn production up 4 % to a record 14.5 million tonnes grown on 3.6 million acres
- ▶ On January 6th, **The Globe and Mail** reported that the Food and Agriculture Organization’s Food Price Index, which tracks international prices of the most globally traded food commodities, averaged 143.7 points in 2022, up 14.3 per cent from 2021, and the highest since 1990, when record keeping was initiated

Commodities Futures as of January 26, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$6.83	0.04 %	7.39 %
Wheat (CBOT)	\$ per bu.	\$7.50	(4.52)%	(4.61)%
Oats (CBOT)	\$ per bu.	\$3.88	3.12 %	(42.52)%
Rough Rice (CBOT)	\$ per cwt.	\$18.31	1.24 %	22.27 %
Rapeseed (Canola) (ICE)	CAD per T	\$807.50	(6.54)%	(19.28)%
Ethanol (CBOT)	\$ per gal.	\$2.16	-	0.05 %



About Us

Origin Merchant Partners is the leading Independent North American Financial Advisor to the Food & Agriculture Sector.

To learn more about our active food & agriculture practice, please reach out to any of our team members below.

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