

April 2023

Industry Highlights on

Food & Agriculture

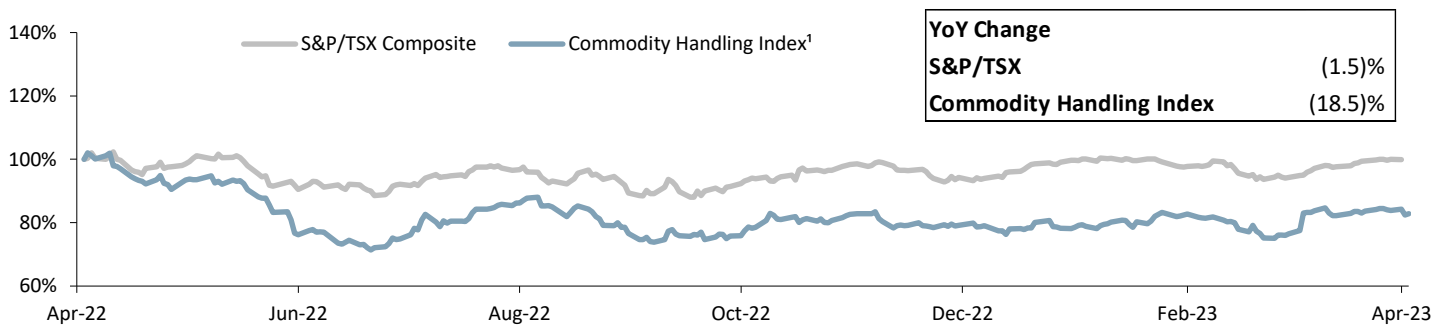


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On April 24th, **Burcon NutraScience Corporation (TSX: BU)**, a global technology leader in the development of plant-based proteins for foods and beverages, announced that, in conjunction with an unnamed industry plant protein company, it is participating in a bid to acquire the assets of **Merit Functional Foods (“Merit”)**, a Manitoba-based processor of pea and canola protein. Merit was placed in receivership in March/2023.
- ▶ On April 20th, the **Canadian government** announced that it has approved construction of the **Roberts Bank Terminal 2 Project** at the Port of Vancouver. The three-berth container terminal will provide an additional 2.4 million 20-foot equivalent units (TEUs) of capacity, increasing Canada’s west coast container capacity by one-third
- ▶ On April 13th, **Viterra** announced plans to spend \$18 million to upgrade its century-old Moose Jaw, Saskatchewan facility. Construction is scheduled to begin mid-April on a 12,500-foot double-loop track to offer continuous loading on the 160,000-tonne terminal, enabling the shipment of 40 percent more grain (144 cars vs 112) per trainload
- ▶ On April 10th, **Bunge (NYSE: BG)** announced that it has entered into a definitive asset purchase agreement with **Fuji Oil New Orleans, LLC**, a US-based supplier of specialty fats and oils, to acquire its newly constructed, port-based refinery located in Avondale Terminal, Louisiana, for an undisclosed amount. The state-of-the-art facility will enhance Bunge’s position in the vegetable oils market
- ▶ On April 10th, **CHS Inc.** and **Mid-Kansas Cooperative** announced their intention to expand their current grain marketing joint venture in the Southern Plains. This expanded partnership will drive long-term growth through a responsive grain network and reinvestment to expand marketing opportunities and modernize rail infrastructure in this vital growing region
- ▶ On April 4th, **Arvesta**, a Belgium-based agriculture and horticulture company, announced its acquisition of the Belgian compound feed unit of **ForFarmers N.V.**, a Netherlands-based feed manufacturer, for €25 million (US\$27.2 million). The acquisition will expand Arvesta’s production capacity while also helping ForFarmers move towards its sustainability goals
- ▶ On March 28th, **Volati AB**, through its portfolio company **Tornum Group**, a Sweden-based supplier for the agricultural and grain handling industries, announced its acquisition of **JW Installations Ltd (“JWI”)**, a UK-based distributor of grain handling equipment, for an undisclosed amount. Access to Tornum Group’s broader portfolio will help accelerate JWI’s growth

Relative Performance Index



Key Indicators

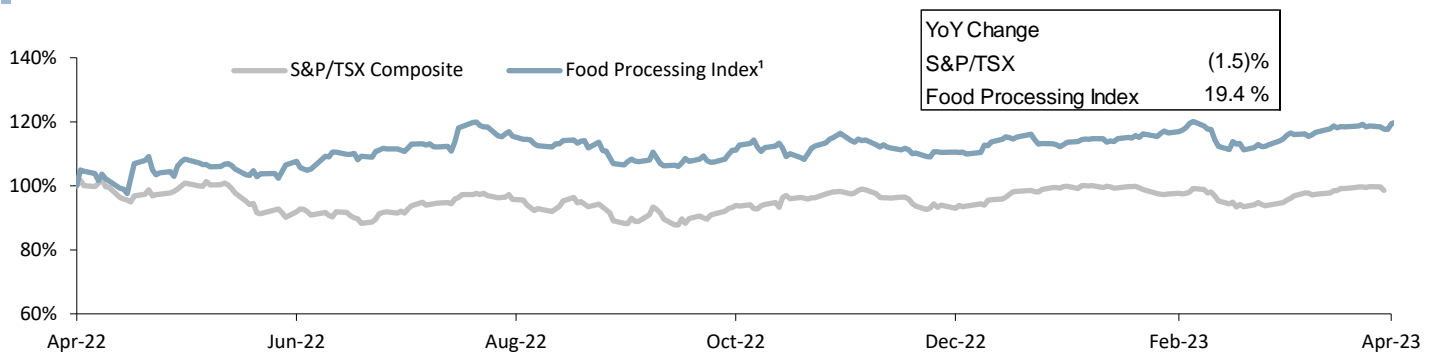
All Figures in USD millions unless indicated

Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
ADM	41,953	53,516	8.0x	8.2x	11.1x	11.5x	3.1 %	(16.0)%
Bunge Limited	13,799	19,267	5.9x	6.5x	7.8x	8.2x	3.9 %	(19.7)%
The Andersons, Inc	1,476	2,620	7.5x	6.7x	13.6x	12.8x	7.7 %	(18.7)%
Graincorp Limited	1,048	1,666	5.1x	7.9x	8.4x	16.0x	0.3 %	(36.5)%
United Malt Group Limited	958	1,277	13.0x	10.1x	35.9x	21.5x	(0.6)%	(4.1)%
Ceres Global Ag	57	122	na	na	na	na	(4.0)%	(55.2)%
Mean			7.9x	7.9x	15.3x	14.0x	1.7 %	(25.0)%

News Scan

- ▶ On May 1st, **Above Food Corp. ("Above Food")**, a vertically integrated food company that delivers traceable and sustainable ingredients and food products, and **Bite Acquisition Corp. (NYSE AMERICAN: BITE)**, a special purpose acquisition company, announced that they have entered into a definitive business combination agreement, which values the Above Food at a pro forma enterprise value of approximately US\$319 million. On closing of the proposed transaction, Above Food is expected to be listed on the NYSE under the new ticker symbol "ABVE"
- ▶ On April 27th, **Grupo Bimbo SAB de CV**, a Mexican multinational food company with a presence in over 33 countries announced that, during the first quarter of 2023, it acquired Winnipeg-based **Natural Bakery Ltd**, which specializes in rye breads sold across western Canada, for an undisclosed amount. The acquisition complements **Bimbo Canada's** existing portfolio of brands, including well-known names such as Dempsters and Sara Lee
- ▶ On April 17th, **Brothers International Food Holdings, LLC ("Brothers")**, a US based full-service importer, distributor and supplier of bulk packaged food ingredients for the food and beverage industry, announced that it has acquired **Hosh International LLC ("Hosh")**, a US-based a value-added supplier of fruit and vegetable juice concentrates and purees to global CPG companies, for an undisclosed amount. The acquisition of Hosh adds another B2B ingredient company to Brother's portfolio, and provides significant cross-selling opportunities for the combined team
- ▶ On April 17th, **The Hershey Company ("Hershey") (NYSE: HSY)** announced that it has entered into a definitive agreement to acquire two manufacturing plants from **Weaver Popcorn Manufacturing**, a US-based popcorn producer and co-packager, and a co-manufacturer of Hershey's SkinnyPop brand. The acquisition will bolster Hershey's internal supply chain capabilities
- ▶ On April 10th, **Benford Capital Partners ("BCP")** announced its acquisition of **Legacy Bakehouse LLC ("Legacy")**, a US-based manufacturer of baked snack products, for an undisclosed amount. BCP will invest in Legacy's operations and pursue acquisitions of other snack component manufacturers
- ▶ On April 3rd, **Wild Alaskan Company ("WAC")**, a US-based e-commerce seafood retailer, announced its acquisition of **Home Port Seafoods**, a US-based custom seafood processor, for an undisclosed amount. The acquisition will expand WAC's food service and retail customer base and help it vertically integrate

Relative Performance Index



Key Indicators

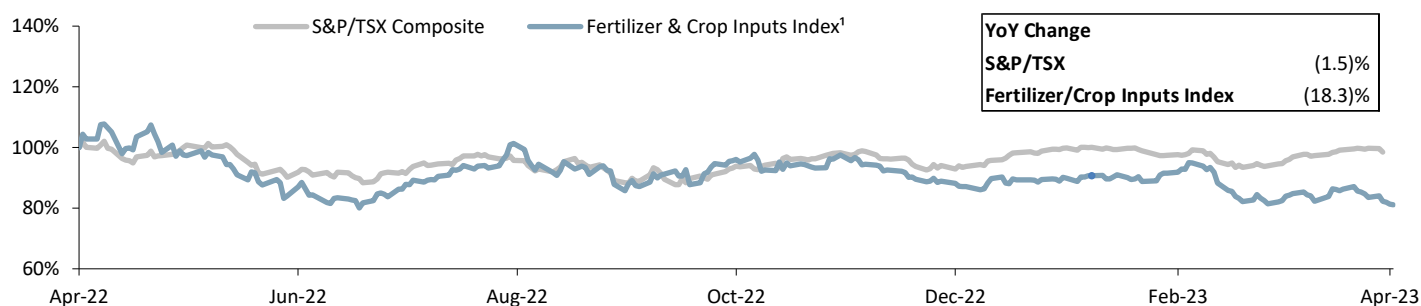
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Saputo Inc.	11,280	14,203	10.4x	9.2x	17.5x	14.0x	(1.9)%	(6.8)%
Ingredion Incorporated	6,964	9,590	8.6x	8.0x	12.9x	11.6x	(0.0)%	(1.3)%
Tate & Lyle plc	3,880	4,344	9.8x	9.2x	15.4x	14.0x	1.4 %	(11.1)%
Premium Brands	3,361	5,286	11.1x	10.2x	19.7x	16.9x	(0.8)%	(6.4)%
Maple Leaf Foods Inc.	2,478	3,876	11.4x	7.5x	42.7x	13.1x	(0.1)%	(3.7)%
SunOpta Inc.	719	1,068	14.2x	11.6x	nmf	nmf	2.3 %	(28.2)%
Rogers Sugar	489	811	9.4x	9.3x	13.8x	13.5x	1.3 %	(5.0)%
High Liner Foods Incorporated	366	572	7.2x	6.8x	10.5x	9.6x	(1.5)%	(7.2)%
Mean			10.3x	9.0x	18.9x	13.2x	0.1 %	(8.7)%

News Scan

- ▶ On April 24th, **CF Industries Holdings, Inc. (“CF Industries”)** (NYSE: CF) and **NextEra Energy Resources, LLC**, the world’s largest generator of renewable energy from the wind and sun, announced a memorandum of understanding (“MOU”) for a joint venture to develop a zero-carbon-intensity hydrogen project at CF Industries’ Verdigris Complex in Oklahoma. CF Industries expects the resulting green ammonia production to help support the transition of American agriculture to low- and zero-carbon fertilizers
- ▶ On April 23rd, **KBR (NYSE: KBR)** announced that it has signed an MOU with **Atlas Agro AG** to license KBR’s innovative K-Green® technology for Atlas Agro’s planned investment in a series of green nitrate plants. Under the terms of the MOU, KBR will provide technology licensing, basic engineering design, proprietary equipment and catalyst for the plants, which will produce zero-carbon nitrogen fertilizers
- ▶ On April 18th, **Harpe Bioherbicide Solutions, Inc.**, a US-based agricultural technology company focused on providing natural and sustainable herbicide solutions, announced a US\$10.5 million round of fundraising, led by **ADM (NYSE: ADM)**. The financing supports the next development stages of its portfolio of non-selective herbicide formulations and herbicide-tolerant row crop systems
- ▶ On April 11th, **SOLASTA Bio**, a Scotland-based agritech company specializing in the next generation of green insecticides, announced that it closed £4 million (US\$4.96 million) in pre-Series A funding, in a round led by **Yield Lab Europe**, a VC firm focused on agricultural companies. The funding will help SOLASTA Bio scale up its UK and US operations and accelerate the development of its technology platform

Relative Performance Index



Key Indicators

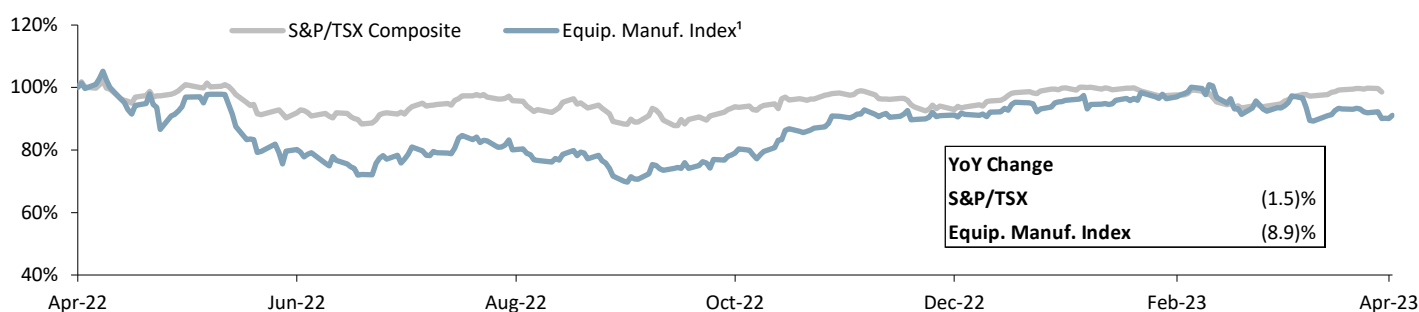
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	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Nutrien Ltd.	35,050	43,870	6.8x	7.5x	10.7x	12.3x	(4.8)%	(31.8)%
CF Industries Holdings, Inc.	14,016	19,045	5.5x	6.6x	7.2x	9.5x	(4.7)%	(40.2)%
The Mosaic Company	14,008	17,526	4.3x	5.0x	6.4x	8.0x	(8.8)%	(38.6)%
Yara International ASA	11,117	11,432	6.8x	6.4x	nmf	nmf	(3.2)%	(11.6)%
Nufarm Ltd.	1,472	1,880	5.6x	5.0x	15.6x	14.0x	(1.9)%	(17.0)%
Mean			5.8x	6.1x	10.0x	10.9x	(4.7)%	(27.9)%

News Scan

- ▶ On April 19th, **CropX Technologies**, an Israel-based provider of digital agronomic farm management, announced the completion of a Series C financing round with US\$30 million in funding, with the round led by **Aliaxis SA**, a Belgium-based provider of fluid management solutions. The funding will be used to continue development of its precision irrigation solutions and for strategic acquisitions
- ▶ On April 11th, **Carbon Robotics**, a US-based provider of AI-powered robotics for weed control, announced that it closed US\$30 million in Series C financing from new lead investor **Sozo Ventures**, alongside existing investors. The funding will be used to expand sales in North America, optimize and scale manufacturing, develop new products, and launch into international markets
- ▶ On April 4th, **Intelinair**, a US-based developer of an agronomic management platform, announced its acquisition of **Aker Technologies, Inc.**, a US-based digital agriculture company, for an undisclosed amount. The acquisition allows Intelinair to continue to expand its offerings with additional drone-based digital agronomy tools, and complements its portfolio of high-resolution imagery and data analytics
- ▶ On April 3rd, **Platinum Equity**, a US-based PE firm, announced the acquisition of a majority interest in **Tarter Farm and Ranch Equipment**, a US-based manufacturer of ranch and farm equipment, for an undisclosed amount. Platinum Equity's expertise in sourcing and supply chain, manufacturing, digital transformation and business scalability will support Tarter through its next phase of growth

Relative Performance Index



Key Indicators

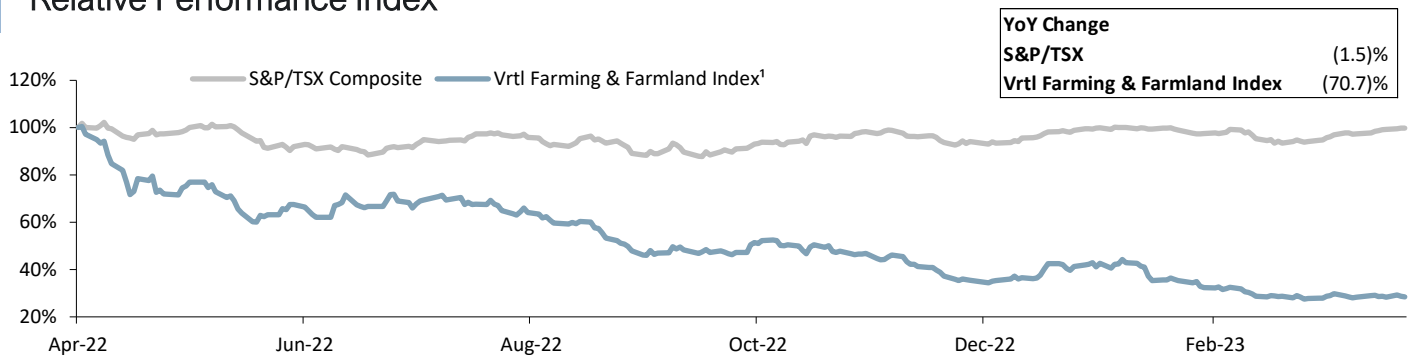
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Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2023E	2024E	2023E	2024E		
Deere & Company	110,187	163,492	12.9x	12.4x	12.3x	11.5x	(3.2)%	(15.7)%
AGCO Corporation	9,205	10,113	5.5x	5.4x	9.0x	8.7x	(1.7)%	(14.8)%
Ag Growth International Inc.	831	1,504	7.5x	7.0x	12.2x	10.2x	2.3 %	(6.5)%
CNH Industrial N.V.	13,986	28,966	12.3x	12.1x	8.2x	7.8x	(3.4)%	(21.6)%
Mean			9.6x	9.2x	10.4x	9.6x	(0.8)%	(12.3)%

News Scan

- ▶ On April 16th, **Ynsect SAS**, a France-based insect-based protein ingredients producer, announced that it has raised US\$175 million in its latest round of funding. It will use the funds to finance expansion of its flagship vertical insect farm in Amiens in northern France
- ▶ On March 29th, **X-Caliber Rural Capital**, a US-based lender for rural business and economic development projects, today announced the closing of a \$56MM loan for a **Hardee Fresh** vertical farming facility in Georgia. The new facility will produce more than 15 million heads of lettuce annually, use only 1% of the water of traditional outdoor operations, and be powered primarily by onsite renewable energy
- ▶ On March 29th, **Ontario Teachers' Pension Plan Board** announced that it will acquire a majority equity interest in **Mitolo Family Farms ("Mitolo")**, a vertically integrated grower, packer and marketer of fresh potatoes and onions in Australia, for an undisclosed amount. The additional capital will help Mitolo enter new markets and better respond to emerging trends in agriculture and food manufacturing
- ▶ On March 29th, **Local Bounti Corporation ("Bounti") (NYSE: LOCL)**, a US-based vertical farmer that sustainably grows fresh greens and herbs, announced that it secured a total of up to US\$145 million of new financing across two sources: the first through an amendment to its credit facility agreements with **Cargill Financial Services International, Inc.**; and the second, a sale-leaseback deal with an internally managed net-lease REIT. The capital will be used to fund construction at the Bounti's facilities in Georgia, Texas and Washington

Relative Performance Index



Key Indicators

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	Market Cap	TEV	TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
			2023E	2024E	2023E	2024E	Price	52Wk High
AppHarvest, Inc.	68	260	5.6x	3.1x	neg	neg	1.3 %	(89.5)%
Village Farms International, Inc.	78	149	0.4x	0.3x	nfm	10.3x	(2.6)%	(82.2)%
Hydrofarm Holdings Group, Inc.	68	234	0.8x	0.7x	nfm	16.6x	9.8 %	(83.9)%
Gladstone Land Corporation	571	1,187	12.5x	11.5x	14.9x	13.9x	(1.0)%	(56.5)%
Farmland Partners Inc.	564	1,117	18.1x	17.3x	31.5x	30.0x	(4.4)%	(33.7)%
Local Bounti Corporation	55	182	5.1x	1.3x	neg	neg	(16.4)%	(93.6)%
Mean			7.1x	5.7x	23.2x	17.7x	(2.2)%	(73.2)%

News Scan

- ▶ On April 27th, **Reuters** reported that a Brazilian court has banned the export of live cattle from all the country's ports over animal welfare concerns. The lawsuit was filed in 2017 by The National Forum for the Protection and Defense of Animals, a Brazilian NGO. Carlos Favaro, Brazil's agriculture minister, told Reuters he had not spoken with the solicitor general about whether the federal government would appeal the decision
- ▶ On April 20th, **The Western Producer** reported that there are signs China's soybean demand is slumping, which has ramifications for other crops like canola. The U.S. Department of Agriculture lowered the country's estimated 2022-23 soybean crush by one million tonnes in its latest World Agricultural Supply and Demand Estimates report
- ▶ On April 19th, **Reuters** reported that the EU Parliament approved a landmark deforestation law to ban imports into the EU of coffee, beef, soy and other commodities if they are linked to the destruction of the world's forests. The law will require companies selling goods into the European Union to produce "verifiable" information that their goods were not grown on land deforested after 2020
- ▶ On April 18th, **The Globe and Mail** reported that convoys of Ukrainian grain transiting Poland for export abroad will be sealed, guarded and monitored to ensure the produce stops flooding the Polish market, after Polish farmers complaints that Ukrainian grain was staying in Poland, creating a glut that caused farmers huge losses
- ▶ On April 7th, **Food Ingredients 1st** reported that the benchmark index of international food commodity prices declined for the twelfth consecutive month in March, according to the Food and Agriculture Organization of the United Nations (FAO). A mix of ample supplies, subdued import demand and the extension of the Black Sea Grain Initiative contributed to the drop
- ▶ On April 6th, **The Western Producer** reported that there was a huge uptick in canola oil usage in the United States in January. An estimated 109,769 tonnes of the product was consumed, a 42% increase over the previous month, according to the U.S. E.I.A. Canola oil accounted for 16.4% of total vegetable oil use in the U.S. biofuel sector in January 2023, up from 5.8% one year ago

Commodities Futures as of April 28, 2023

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$6.01	(7.29)%	(26.12)%
Wheat (CBOT)	\$ per bu.	\$6.42	(8.02)%	(40.87)%
Oats (CBOT)	\$ per bu.	\$3.27	(13.45)%	(51.40)%
Rough Rice (CBOT)	\$ per cwt.	\$17.10	(4.15)%	(0.35)%
Rapeseed (Canola) (ICE)	CAD per T	\$734.90	(2.43)%	(34.62)%
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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