



Agriculture Industry Flash

Monday, September 27th, 2021

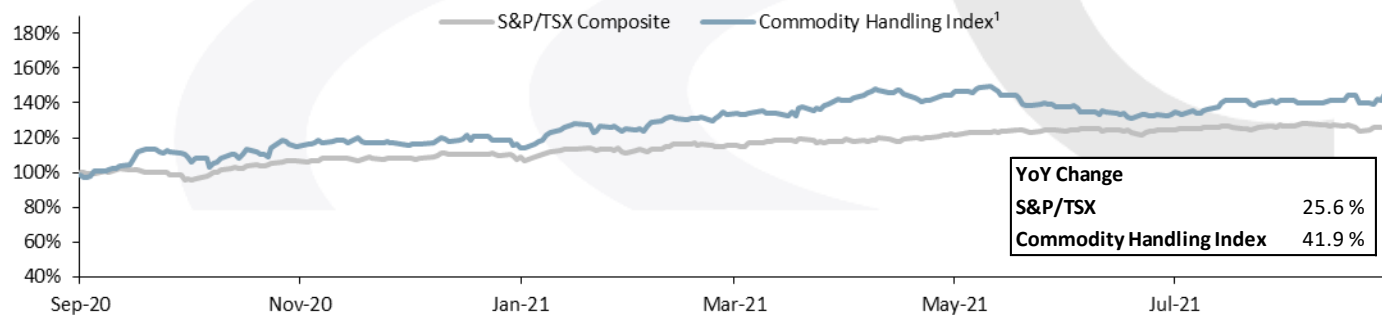


COMMODITY HANDLING

News Scan

- On September 20th, **Total Grain Marketing (“TGM”)**, a venture of GROWMARK Inc., announced its acquisition of a set of Illinois-based grain assets of **The Andersons, Inc.**, for an undisclosed amount. This acquisition, which includes the largest grain elevator by upright storage in Illinois, will complement TGM’s existing portfolio and help deliver increased profitability
- On September 15th, **Canadian Pacific Railway** announced it has entered into an agreement to acquire **Kansas City Southern (“KCS”)** in a stock and cash transaction of US\$31 billion after the **Surface Transportation Board** rejected **Canadian National Railway (“CN”)**’s proposed acquisition of KCS, citing risks to competition and limited public benefits. Following this announcement, KCS owes US\$1.4 billion to CN for terminating the proposed merger
- On September 10th, **Louis Dreyfus Company Holdings BV (“LDC”)**, one of the world’s leading commodity trading houses, announced the completion of its sale of an indirect 45% equity stake to Abu Dhabi-based **ADQ**, a state-owned holding company focused on economic development and diversification in the UAE, for an undisclosed sum. This partnership will reinforce LDC’s financial strength to accelerate its strategic investments in new areas such as plant-based proteins
- On September 8th, **Archer-Daniels-Midland Company (“ADM”)**, a global leader in animal and human nutrition, announced its acquisition of a 75% ownership stake in **PetDine, Pedigree Ovens, The Pound Bakery and NutraDine (“P4 Companies”)**, premier providers of private label pet feeds, for a combined US\$600 million. Following this acquisition, ADM will acquire production and innovation facilities in the U.S. to further advance its growth strategy for its nutrition business segment
- On September 2nd, **The Scoular Company (“Scoular”)**, one of the largest grain storage and handling companies in North America, announced its acquisition of **Rogers Grain Inc.**, a family-owned specialty grain collector and distributor. This acquisition is expected to increase Scoular’s capabilities in Identity Preserved and non-GMO grains and oilseeds
- On September 2nd, **Bunge North America (“Bunge”)** announced a memorandum of understanding for a proposed 50/50 joint venture with **Chevron U.S.A. (“Chevron”)** to create renewable fuels and to develop lower carbon intensity feedstocks. Upon finalization of this joint venture, Bunge is expected to contribute its soybean processing facilities in Louisiana and Illinois and Chevron is expected to contribute US\$600 million in cash

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
			2021E	2022E	2021E	2022E		
ADM	33,428	43,611	8.7x	8.9x	12.5x	13.1x	(5.1)%	(13.8)%
Bunge Limited	11,163	19,707	8.0x	9.0x	8.8x	10.3x	(2.9)%	(14.7)%
The Andersons, Inc	987	2,902	8.5x	8.8x	12.8x	14.1x	3.6 %	(12.4)%
Graincorp Limited	1,056	2,239	9.3x	10.4x	11.4x	13.4x	(2.8)%	(4.2)%
United Malt Group Limited	878	1,131	11.9x	9.1x	28.1x	16.9x	(4.0)%	(18.7)%
Ceres Global Ag	114	203	na	na	na	na	(0.4)%	(6.0)%
Mean			9.3x	9.2x	14.7x	13.5x	(1.9)%	(11.6)%

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

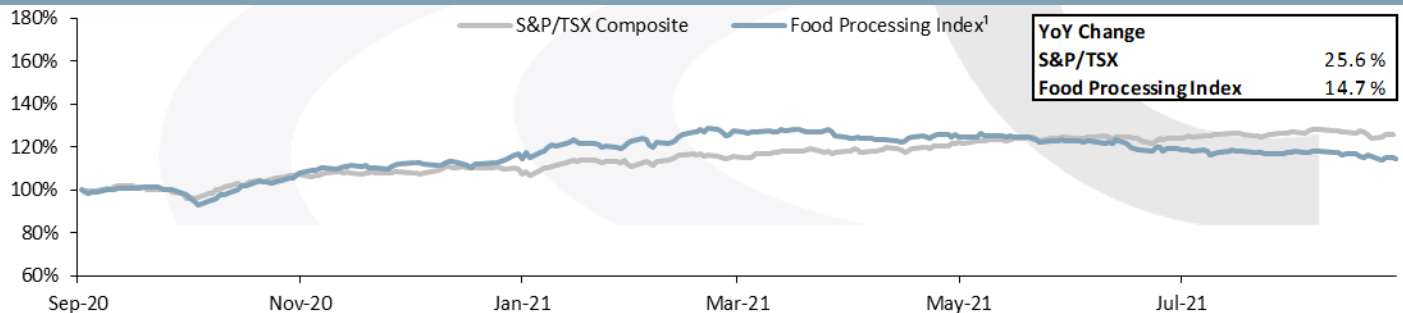


FOOD PROCESSING

News Scan

- On September 24th, **Kraft Heinz Company (“Kraft”)** announced its acquisition of **Hemmer**, a Brazilian food producer focused on condiments and sauces, for an undisclosed sum. The acquisition will widen Kraft’s consumer taste options in Brazil and diversify its product portfolio, further accelerating growth in its condiments and sauces category
- On September 24th, **AAK**, a global producer of vegetable oils and fats, announced its acquisition of **BIC Ingredients**, the lecithin arm of **BIC International Holding**, for an undisclosed amount. This transaction is expected to significantly increase AAK’s footprint in the European lecithin market and further its strategy of becoming a key supplier for specialty lecithin
- On September 21st, **Ardian**, a France-based private equity investment firm, announced its acquisition of a majority stake in **Florida Food Products, Inc. (“FFP”)**, a manufacturer of healthy and clean label ingredients, from **MidOcean Partners LLP (“MidOcean”)** for cash consideration of over US\$1 billion. Following this acquisition, Ardian will partner with MidOcean and FFP to significantly expand its selection of natural product offerings to its consumers
- On September 15th, **Coca-Cola Co.** announced the divestiture of its **Odwalla** beverage brand, which had been discontinued in mid-2020, to **Full Sail IP Partners (“Full Sail”)**, a new venture fund created by **Warburg Pincus**, a leading global growth investor, and **LMCA**, one of the innovators of corporate brand extension licensing, for an undisclosed amount. With this acquisition, Full Sail plans to revive the brand and provide consumers with artfully crafted functional beverages
- On September 13th, food tech company **Benson Hill** announced its acquisition of a soybean crushing facility from Indiana-based **Rose Acre Farms** for an undisclosed sum. With this acquisition, Benson Hill plans to provide additional production capacity for their innovative soybean products, including the Ultra-High Protein soybean ingredients
- On September 3rd, **Emmi Roth**, a Wisconsin-based cheesemaker, announced its acquisition of **Athenos**, the No.1 feta cheese maker in the U.S., from **Lactalis Group**, a French dairy giant, for an undisclosed sum. This acquisition is expected to strengthen Emmi Roth’s product range and allow it to offer another line of best specialty cheeses to its customers
- On September 1st, **Saputo Inc. (“Saputo”)**, one of the world’s largest dairy processors, announced its acquisition of **Carolina Aseptic** and **Carolina Dairy**, manufacturers and distributors of aseptic shelf-stable food products and refrigerated yogurt, respectively, for a combined cash transaction of US\$118 million. These strategic acquisitions aim to reinforce Saputo’s strength in the rapidly growing aseptic beverage and food categories, along with its expansion in the nutritional snack space

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
			2021E	2022E	2021E	2022E		
Saputo Inc.	10,195	13,264	12.9x	10.1x	23.0x	16.4x	(5.2)%	(24.1)%
Ingredion Incorporated	5,938	7,925	8.5x	8.1x	13.4x	12.5x	(0.5)%	(9.6)%
Tate & Lyle plc	4,397	5,065	7.3x	7.3x	11.8x	12.7x	0.0%	(15.7)%
Premium Brands	4,646	5,981	16.1x	13.9x	30.3x	24.2x	1.3%	(1.2)%
Maple Leaf Foods Inc.	2,550	3,561	10.6x	8.6x	22.1x	20.7x	(4.9)%	(11.4)%
SunOpta Inc.	904	1,196	20.7x	17.6x	nmf	nmf	(0.1)%	(48.6)%
Rogers Sugar	457	760	9.7x	9.2x	15.1x	12.7x	(0.2)%	(6.4)%
High Liner Foods Incorporated	348	557	7.8x	7.4x	11.3x	11.1x	(0.6)%	(6.2)%
Mean			11.7x	10.3x	18.1x	15.8x	(1.3)%	(15.4)%

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

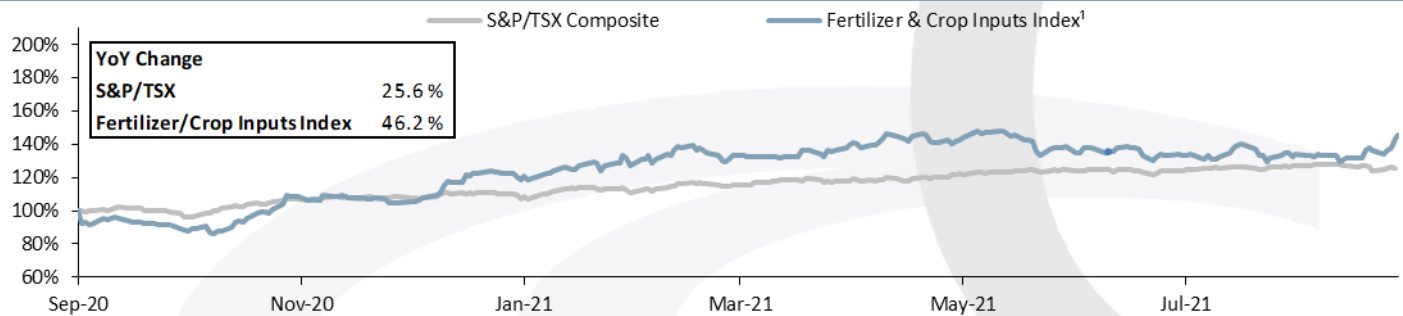


FERTILIZERS AND CROP INPUTS

News Scan

- On September 20th, the **Government of Ethiopia** announced the signing of a joint venture development agreement with Morocco's **QCP Group** to implement a fertilizer project in Dire Dawa. This project will have an initial investment of approximately US\$2.4 billion in the first phase to develop a production capacity of 2.5 million tpy
- On September 20th, **Evoqua Water Technologies ("Evoqua")**, a global leader in improving water, announced the signing of an exclusive agreement with **Ostara Nutrient Recovery Technologies Inc. ("Ostara")**, a world leader in nutrient recovery from wastewater streams, to form a partnership. This collaboration combines Ostara's process solutions for nutrient recovery with Evoqua's water and wastewater treatment solutions to help North American and European municipalities recover nutrients and convert them into fertilizers
- On September 7th, **NE Nitro Geneva LLC ("Geneva")**, a U.S.-based industrial chemicals wholesaler, announced its acquisition of an anhydrous ammonia fertilizer manufacturing plant and other ancillary campus assets in Nebraska that produce up to 36,000 tons of nitrogen-based fertilizer annually. This strategic acquisition will provide additional nitrogen-based fertilizer to farmers of the Western Cornbelt, critical to sustaining soil fertility and crop production
- On September 1st, **Yara International ASA ("Yara")**, a global leader in agricultural products and environmental protection agents, announced its acquisition of **Ecolan Oy**, a Finland-based producer of recycled fertilizers, for an undisclosed amount. Upon completion of this transaction, Yara will establish a dominant footprint in the European organic fertilizer segment

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market	Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
				2021E	2022E	2021E	2022E	Price	52Wk High
Nutrien Ltd.	36,962	44,875	9.0x	9.0x	16.7x	16.7x	2.6 %	(0.3)%	
CF Industries Holdings, Inc.	11,796	17,755	7.8x	7.8x	12.6x	12.8x	11.9 %	(4.1)%	
The Mosaic Company	13,623	17,079	4.7x	5.1x	7.5x	8.7x	6.3 %	(6.2)%	
Yara International ASA	12,702	15,341	6.8x	6.4x	10.8x	11.7x	2.1 %	(13.8)%	
Nufarm Ltd.	1,316	1,934	6.8x	na	nmf	na	6.3 %	(15.9)%	
Mean			7.0x	7.1x	11.9x	12.5x	5.8 %	(8.1)%	

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

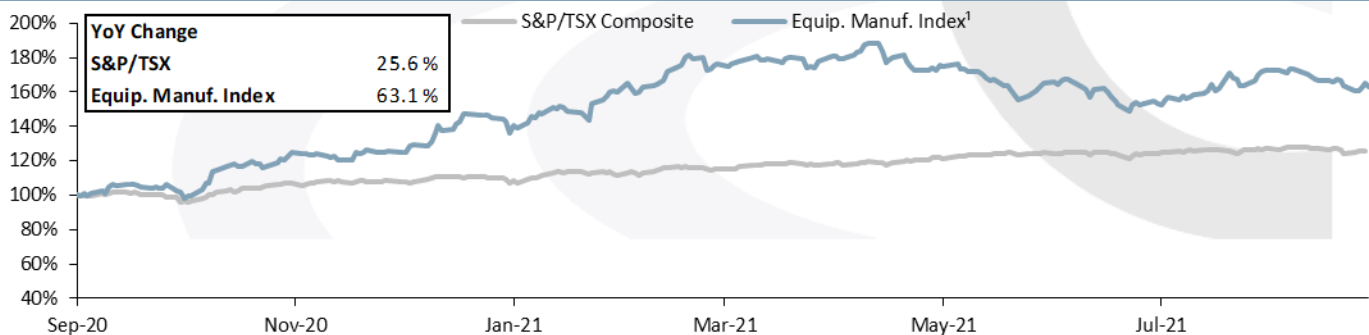


EQUIPMENT AND TECHNOLOGY

News Scan

- On September 17th, American cell-cultured seafood company **BlueNalu**, announced its partnership agreement with **Nomad Foods**, one of Europe's leading frozen food companies, to explore the introduction of cell-based seafood products in Europe. Following the agreement, the companies intend to sustainably commercialize cultured seafood in Europe
- On September 13th, **Meatable**, a Netherlands-based food company, announced it has entered into a joint development agreement with **Royal DSM**, a global leader in biotechnology, to co-develop growth media, a nutrient-rich liquid that contains essential nutrients to facilitate cell growth, for cultivated meat. This partnership is expected to develop a pivotal technological improvement in growth media that will substantially cut production costs for cultivated meat, opening a trillion-dollar market
- On September 13th, **AGCO Corporation ("AGCO")**, a worldwide manufacturer and distributor of agricultural machinery, announced its acquisition of **Farm Robotics and Automation S.L. ("Faromatics")**, a precision livestock farming company, for an undisclosed amount. Upon completion of this acquisition, AGCO plans to build on Faromatics' ChickenBoy, the world's first robot that monitors broiler chickens and helps farmers improve animal welfare and production
- On September 13th, **Akerna**, the developer of the cannabis industry's first seed-to-sale enterprise resource planning (ERP) software technology, announced it has signed an agreement to acquire **365 Cannabis**, a cannabis business management software system built on Microsoft's Dynamics 365 Business Central, for US\$17 million. Upon completion of this acquisition, Akerna will have access to Microsoft capabilities, further establishing it as the provider of the most robust cannabis-compliant ERP system
- On September 10th, **Robotics Plus**, a New Zealand-based innovative automation company, announced its partnership with the **New Zealand Asparagus Council ("NZAC")** to develop a world-first commercial-scale autonomous robotic asparagus harvester for NZ\$5.83 million. The New Zealand government's Sustainable Food and Fibre Futures Fund will contribute NZ\$2.6 million towards the development, which is expected to alleviate ongoing labour shortages in the industry and support growers to tap into high-value export markets

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Deere & Company	108,289	156,391	17.6x	15.4x	17.9x	15.6x	(1.7)%	(12.8)%
AGCO Corporation	9,330	10,668	7.9x	7.3x	12.8x	11.7x	(4.3)%	(22.0)%
Ag Growth International Inc.	422	1,129	8.3x	7.6x	11.7x	9.1x	(2.5)%	(41.2)%
Cervus Equipment Corporation	236	374	6.9x	6.6x	11.0x	10.3x	(0.2)%	(0.3)%
Mean			10.2x	9.2x	13.4x	11.7x	(2.2)%	(19.0)%

1 "Equip. Manuf. Index" is composed of equally weighted market prices for: Deere & Co., AGCO, Ag Growth Intl., and Cervus.

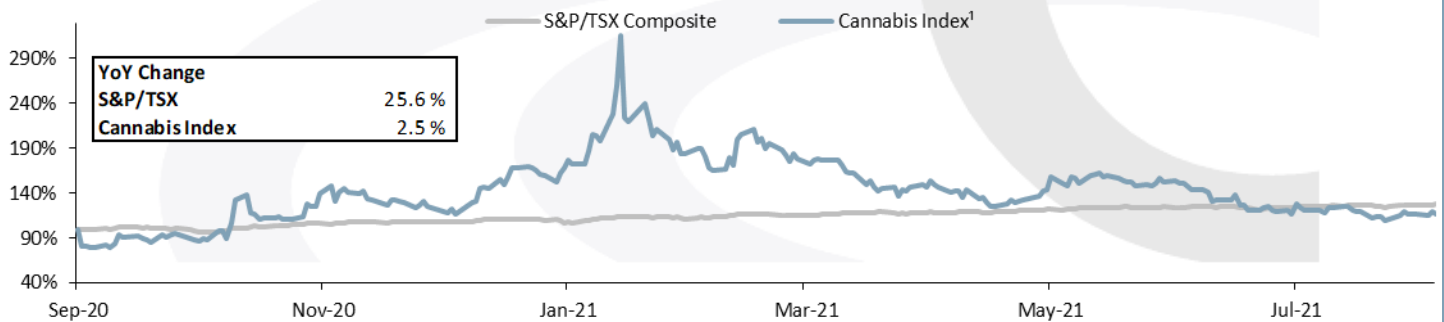


CANNABIS AND HEMP

News Scan

- On September 23rd, **Cresco Labs Inc. (“Cresco”)**, a vertically integrated multi-state operator and the number one U.S. wholesaler of branded cannabis products, announced the execution of its definitive agreement to acquire **Cure Pennsylvania**, a cannabis retailer with three high-performing dispensaries in Pennsylvania, for cash consideration of US\$90 million
 - On September 3rd, **Cresco** announced the completion of its acquisition of **Cultivate Licensing LLC**, a vertically integrated Massachusetts operator, for US\$90 million in a combination of cash and stock. This transaction is expected to strengthen Cresco’s position in the Massachusetts cannabis market
- On September 15th, **Ayr Wellness Inc. (“Ayr”)**, a leading vertically integrated cannabis multi-state operator, announced the completion of its acquisition of **Garden State Dispensary**, one of the 12 existing vertical permit holders in the State of New Jersey, for US\$101 million in a combination of cash, stock, and debt. With this acquisition, Ayr will establish a footprint in the New Jersey cannabis marketplace where the state’s high population density displays a noted demand
 - On September 2nd, **Ayr** announced it has entered into a binding letter of intent to acquire **PA Natural Medicine, LLC.**, an operator of three licensed retail dispensaries, for US\$80 million in a combination of cash, stock, and debt. With this acquisition, Ayr will deepen its presence in the rapidly growing Pennsylvania medical market
- On September 15th, **Fire & Flower Holdings Corp. (“Fire & Flower”)** announced the completion of its acquisition of **PGED Corp.**, one of the world’s largest cannabis websites and content platforms, and certain digital assets of **Wikileaf Technologies**, an online platform for cannabis enthusiasts and consumers, for US\$8.5 million and US\$7.5 million, respectively. These acquisitions will expand Fire & Flower’s virtual presence and its e-commerce revenue channels by providing a scalable entry point in both Canada and the U.S.
- On September 2nd, **HEXO Corp. (“HEXO”)**, a cannabis-focused consumer packaged goods company, announced the completion of its acquisition of **48North Cannabis Corp.**, a consumer-centric licensed cannabis producer, for an all-stock transaction of C\$50 million. This acquisition is expected to further strengthen HEXO’s position as a leader in the Canadian adult-use market

Relative Performance Index



Key Indicators

All Figures in USD millions unless indicated

	Market		TEV/Revenue		TEV/EBITDA		Week Δ	Δ Price
	Cap	TEV	2021E	2022E	2021E	2022E	Price	52Wk High
Canopy Growth Corporation	5,456	5,425	9.6x	7.2x	neg	neg	(6.4)%	(75.4)%
Tilray, Inc.	5,242	5,719	8.9x	6.5x	nmf	49.3x	(3.0)%	(47.0)%
Cronos Group Inc.	2,120	1,260	16.8x	9.7x	neg	nmf	(4.2)%	(64.1)%
Aurora Cannabis Inc.	1,178	1,181	6.2x	4.5x	neg	neg	(10.1)%	(68.7)%
OrganiGram Holdings Inc.	720	574	8.5x	5.3x	neg	neg	(0.3)%	(61.9)%
Mean			10.0x	6.6x	na	49.3x	(4.8)%	(63.4)%

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 September 27th, after the **Liberal Party of Canada** won the federal election on September 20th, securing a minority government for another term, the **Government of Canada** proposed a 30% reduction in fertilizer emissions following an independent analysis from **Fertilizer Canada**. This announcement will have a devastating impact on individual farmers across the prairies as it is estimated to cost them C\$10 billion in crop loss
- On September 23rd, Canada's **Federated Co-operatives Limited ("FCL")** announced its intention to sell its oil production business. The crude unit includes a production base of 3,000 barrels of oil per day and 550,000 hectares of land across Saskatchewan, Alberta, and British Columbia. Following this divestiture, FCL plans to keep its Saskatchewan refinery
- On September 22nd, the **U.S. House of Representatives** announced the addition, by voice vote, of the **Secure and Fair Enforcement Banking Act** to the **National Defense Authorization Act** spending package for fiscal 2022. This amendment will protect banks that service state-legal marijuana businesses from being penalized by federal regulations and help keep illegal cartels out of the U.S. cannabis industry
- On September 20th, the **Manitoba Habitat Heritage Group** announced its funding of C\$204 million to various land and water conservation projects. This financial support is expected to improve wildlife habitat, reduce flooding, and enhance long-term soil health in the province
- On September 17th, the **Canadian Federation of Agriculture**, Canada's largest general farm organization, announced its **Hay West 2021** initiative is now operational and seeking applications. The initiative will ship feed from Eastern Canada to supplement various drought-dented supplies in the West
- On September 17th, **Soy Canada**, the national association for the Canadian soybean industry, announced its plans to broaden its access to the European Union and other key markets via the implementation of a verified sustainability program. With no national program of its kind in Canada, the introduction of a certification process will allow soybeans to be used for biofuel production in the EU
- On September 15th, the **U.S. Senate Committee on Agriculture, Nutrition, and Forestry** announced the **American Beef Labeling Act**, legislation that would reinstate mandatory country of origin labeling (mCOOL) for beef. Additionally, the committee introduced the **Precision Agriculture Loan Act**, which would create a program within the U.S. Department of Agriculture to provide loan financing to farmers and ranchers interested in purchasing precision agriculture equipment
- On September 14th, **Statistics Canada** released its production estimates for principal field crops. Estimates for nearly every crop were adjusted downward as the full impact of this summer's drought comes into focus. The total Canadian barley, durum, and wheat production are now expected to be at their lowest level since 2014, 2010, and 2013, respectively
- On September 9th, the **European Parliament Agriculture Committee** approved a deal to overhaul the EU's huge farming subsidies, including new measures at making agriculture greener. The scheme will spend €387 billion between 2021-2027 where payments to farmers will be tied to compliance with environmental rules
- On September 3rd, the **Government of British Columbia** announced a C\$20 million response package to help local ranchers and farmers with the extraordinary expenses they incurred for feed, shelter, animal health and safety, and the transportation of livestock as a result of this year's wildfires and drought. This additional funding serves as a complement to the 2021 Canada-British Columbia Wildfire and Drought AgriRecovery Initiative and is expected to help ranchers and farmers continue their operations to supply the province with local produce

Commodities Futures as of September 27, 2021

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$5.27	0.77 %	8.89 %
Wheat (CBOT)	\$ per bu.	\$7.24	1.33 %	12.73 %
Oats (CBOT)	\$ per bu.	\$5.75	14.94 %	61.59 %
Rough Rice (CBOT)	\$ per cwt.	\$13.90	4.98 %	9.23 %
Rapeseed (Canola) (ICE)	CAD per T	\$887.90	(0.33)%	39.67 %
Ethanol (CBOT)	\$ per gal.	\$2.21	(0.59)%	48.62 %



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