

November 2022

Industry Highlights on

Food & Agriculture

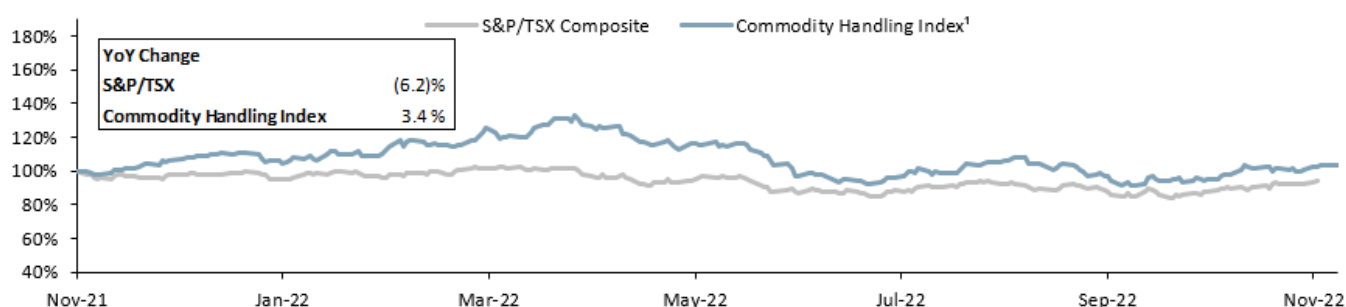


*Leading Independent North American Financial Advisor
to the Food & Agriculture Sector*

News Scan

- ▶ On November 22nd, **Bunge** (NYSE: BG) announced that it has entered a strategic partnership to acquire 49% of **BZ Group**, a France-based company offering procurement and export of grains, oilseeds and pulses, for an undisclosed amount. The transactions will provide the opportunity to expand the facility in the port terminal in Rouen, the largest cereal export facility in Western Europe
- ▶ On November 15th, **ADM** and **IMGS Group**, a Canadian cargo handling and port operations company, announced that they have signed an agreement for the establishment of a joint venture in Pakistan aimed at promoting food security in the region. The joint venture will handle grains, oilseeds, feedstuffs, pulses and will sell goods domestically
- ▶ On November 16th, **UPL Ltd. ("UPL")** (NSE: UPL) announced that its company, **Advanta Seeds UK**, and **Bunge** (NYSE: BG) have signed an agreement to acquire a 20% stake each in **SEEDCORP|HO**, a Brazil-based soy genetics company, for an undisclosed amount. Through the agreement, Bunge intends to expand its barter portfolio to reinforce its grain sourcing position in Brazil
- ▶ On November 11th, it was announced that **3i**-backed **Regional Rail**, a leading owner and operator of short-line freight railroads, acquired a portfolio of freight rail assets located across western Canada from **G3 Canada Limited**, for an undisclosed amount. The acquisition accelerates Regional Rail's expansion into Canada
- ▶ On November 1st, **The Andersons, Inc. ("Andersons")** (Nasdaq: ANDE) announced that it has acquired **Bridge Agri Partners Inc.**, a Canadian company that specializes in providing ingredients to the pet food industry, for US\$14.7 million. The acquisition further supports Andersons' strategy to expand in its core grain and fertilizer businesses
- ▶ On November 1st, **BASF SE ("BASF")** announced that it has acquired the **Idaho Falls** seed production facility from **Cargill, Inc.**, for an undisclosed amount. This acquisition will expand the production capacity and reliability for BASF's InVigor Health hybrids, a seed that produces a specialty oil profile that is more heat stable and higher in oleic acid content

Relative Performance Index



Key Indicators

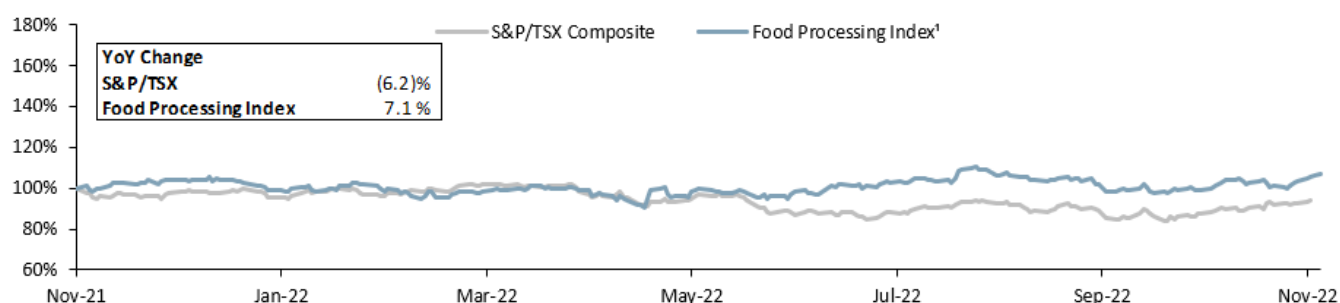
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2022E	2023E	2022E	2023E		
ADM	53,505	63,556	8.7x	10.0x	12.9x	14.7x	1.7 %	(2.7)%
Bunge Limited	15,247	21,440	6.2x	6.7x	7.4x	8.4x	2.9 %	(20.3)%
The Andersons, Inc	1,239	2,671	7.0x	7.9x	11.0x	13.0x	(0.4)%	(36.6)%
Graincorp Limited	1,249	1,783	3.6x	6.2x	4.9x	10.6x	7.2 %	(22.7)%
United Malt Group Limited	680	990	16.1x	10.3x	nfm	18.7x	8.8 %	(27.9)%
Mean			8.3x	8.2x	9.1x	13.1x	3.5 %	(27.7)%

News Scan

- ▶ On November 17th, **Grass Fed Foods, LLC**, backed by PE firms **Sunrise Strategic Partners** and **Armonia**, announced the formation of the US's largest grass-fed beef platform by merging two industry leaders, **SunFed Ranch** and **Teton Waters Ranch**, for an undisclosed amount. The complementary portfolios of the companies will provide grocers and foodservice customers with access to a convenient, turnkey solution for grass fed beef products in the US
- ▶ On November 15th, **Ironbridge Equity Partners**, a Canadian private equity firm, announced that it has acquired a controlling interest in **King's Pastry**, a leading Canadian manufacturer of sweet bakery products. for grocery, club, mass merchant, and food service distribution clients throughout Canada and the United States. The acquisition, for an undisclosed amount, was done in partnership with the existing King's Pastry owners and management team
- ▶ On November 15th, **Edible Garden AG Incorporated ("Edible Garden")** (Nasdaq: EDBL), a US-based producer of organic leafy greens and herbs using controlled environment agriculture, announced that it has acquired the assets of **Pulp**, a US-based producer of sustainable gourmet sauces and chili-based products, for an undisclosed amount. Pulp's all-natural, non-GMO and preservative free refrigerated sauces is expected to appeal to Edible Garden's expanding customer base
- ▶ On November 14th, **Brynwood Partners Management LLC**, a US-based PE firm, through its portfolio company **American Beverage Corporation ("ABC")**, a US-based producer and distributor of cocktails, mixers, and fruit drinks, announced its acquisition of **Poppilu Inc.**, a US-based producer and distributor of organic lemonade for kids, for an undisclosed amount. The deal expands ABC's portfolio of kids' beverages
- ▶ On November 2nd, **Hall's Beer Cheese** ("Hall"), a US-based producer of flavored cheese spreads, announced its acquisition of **Larry Mac's Cheese Spreads LLC ("Mac")**, a US-based manufacturer of wine, beer, and bourbon flavored cheese spreads, for an undisclosed amount. The acquisition will expand Hall's retail footprint, including the continuation of Mac's existing engagement with Total Wine as its exclusive beer cheese

Relative Performance Index



Key Indicators

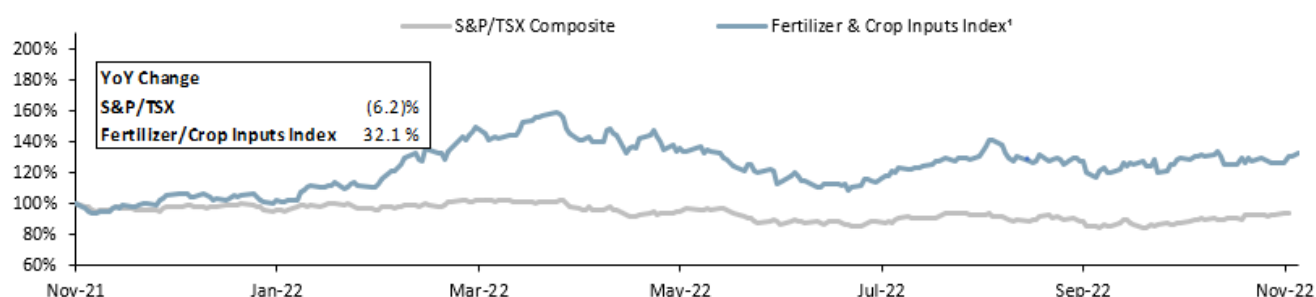
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ Price	Δ Price 52Wk High
			2022E	2023E	2022E	2023E		
Saputo Inc.	10,918	13,881	13.2x	10.6x	22.5x	17.9x	(1.4)%	(5.6)%
Ingredion Incorporated	6,470	8,807	8.8x	8.2x	13.7x	12.4x	5.0 %	(3.1)%
Tate & Lyle plc	3,580	4,074	8.5x	9.1x	17.5x	13.6x	4.7 %	(18.5)%
Premium Brands	2,817	4,664	11.2x	9.7x	17.0x	14.9x	3.2 %	(36.5)%
Maple Leaf Foods Inc.	2,311	3,631	15.5x	8.4x	nmf	17.2x	4.5 %	(22.8)%
SunOpta Inc.	1,051	1,377	23.3x	18.2x	nmf	nmf	19.4 %	(14.4)%
Rogers Sugar	475	781	9.7x	9.5x	16.0x	13.6x	3.6 %	(7.6)%
High Liner Foods Incorporated	343	610	8.2x	7.8x	10.5x	9.6x	0.5 %	(10.6)%
Mean			12.3x	10.2x	16.2x	14.2x	4.9 %	(14.9)%

News Scan

- ▶ On November 16th, **Convent Capital**, through its portfolio company **Convertus Group (“Convertus”)**, a Canadian full-service provider for the treatment and recycling of organic waste, announced the acquisition of **Envirem Organics (“Envirem”)**, a Canadian company specializing in mulches, soils, and fertilizer, for an undisclosed amount. Envirem’s automated bagging equipment will help Convertus effectively process incoming material into high-quality offtakes
- ▶ On November 15th, **The J.R. Simplot Company (“Simplot”)**, a US-based food and agribusiness company, announced that it has agreed to acquire **G-Mac’s AgTeam (“AgTeam”)**, a retailer of agricultural crop inputs and related services throughout Western Canada, for an undisclosed amount. AgTeam’s 15 stores will expand Simplot’s retail footprint in the region
- ▶ On November 15th, **Profile Products (“Profile”)**, a US-based developer and manufacturer of highly engineered specialty agriscience materials, announced its acquisition of **Quick Plug**, a Netherlands-based manufacturer of bonded growing media for plant propagation, from **Dümmen Orange**, a Netherlands-based floriculture company, for an undisclosed amount. The acquisition expands Profile’s growing media product portfolio beyond the essential inputs to advanced substrates and stabilized media products
- ▶ On November 13th, **Kenya** signed a deal with multi-national, **Fortescue Future Industries (FFI)**, an Australian-based company that has developed a portfolio in renewable energy and green hydrogen projects, to manufacture affordable fertilizer by 2025. FFI will, for a three-year period, collaborate with the Kenyan government to build a 300MW capacity green ammonia and green fertilizer facility
- ▶ On November 2nd, **African Agriculture Inc. (“AAGR”)**, a US-based company operating a commercial-scale alfalfa farm in Senegal, announced that it has entered into a definitive merger agreement with **10X Capital Venture Acquisition Corp. II** (Nasdaq: VCXA), a US-based SPAC, for US\$450 million. The transaction will result in AAGR being listed on the Nasdaq, while the additional capital will be used to fund expansion into the Senegal-Mauritania river valley

Relative Performance Index



Key Indicators

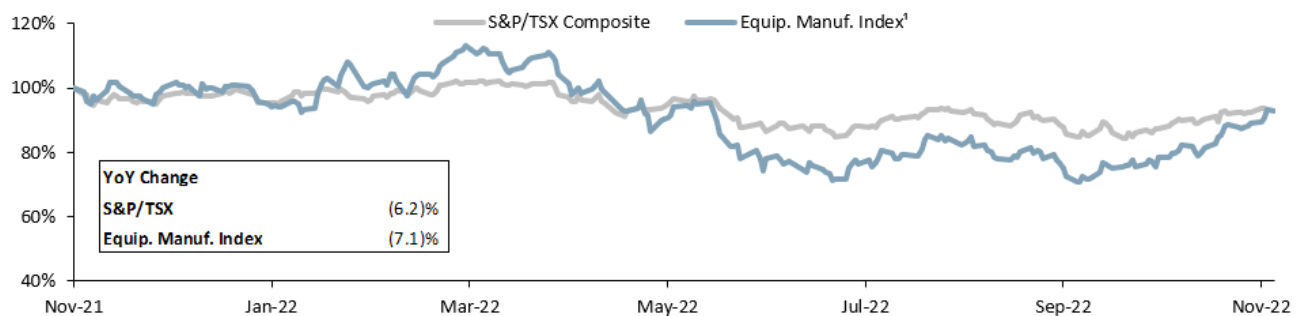
All Figures in US\$ millions unless indicated

	Market		TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
	Cap	TEV	2022E	2023E	2022E	2023E	Price	52Wk High
Nutrien Ltd.	42,843	53,389	5.6x	6.2x	7.9x	8.5x	6.3 %	(25.5)%
CF Industries Holdings, Inc.	21,310	25,392	4.2x	5.0x	6.0x	7.1x	5.8 %	(9.2)%
The Mosaic Company	17,627	21,766	3.2x	3.9x	4.3x	5.2x	3.2 %	(34.7)%
Yara International ASA	12,050	15,598	6.8x	6.4x	4.3x	6.0x	1.3 %	(7.6)%
Nufarm Ltd.	1,557	1,957	6.4x	6.2x	18.1x	16.4x	2.9 %	(12.4)%
Mean			5.2x	5.5x	8.1x	8.6x	3.9 %	(17.9)%

News Scan

- On November 21st, **MyLand Company Inc. ("Myland")**, a US-based soil health company, whose patented technology allows growers to rapidly implement regenerative agriculture practices, has raised US\$12 million in the first closing of its Series B financing led by **The Borden Family Trust** and **Waterpoint Lane**. The funds will support MyLand's scaling up efforts for growers in California, Arizona, Texas, Florida, and the Pacific Northwest
- On November 14th, **Patterson Companies, Inc. ("Patterson")** (Nasdaq: PDCO), a US-based distributor of dental and animal health products, announced that it has signed an agreement to acquire **Dairy Tech, Inc. ("DT")**, a US-based provider of pasteurizing equipment and single-use bags to produce, store and feed colostrum to newborn calves, for an undisclosed amount. DT's calf management program will bring significant value to Patterson's dairy and beef customers
- On November 8th, **Turntide Technologies Inc.**, through its subsidiary VES-Artex, a US-based company specializing in animal-centered environments, announced that it has signed an agreement to acquire **Royal De Boer**, a Netherlands-based manufacturer of barn equipment solutions, from **Mutares SE & Co. KGaA** (XTRA:MUX), a Germany-based PE firm, for an undisclosed amount. Royal De Boer's dairy operations and animal comfort solutions will complement VES-Artex's automation, connectivity and digitization solutions
- On November 7th, **Berkshire Partners**, through its portfolio company **FoodChain ID**, a US-based provider of technology-enabled food safety, quality, and sustainability solutions, announced that it has acquired **Lexagri International**, a France-based provider of harmonized global agricultural data, for an undisclosed amount. This acquisition expands FoodChain ID's scope of regulatory and compliance content into crop protection and brand registration data
- On November 4th, **Cooperative Ventures**, a VC fund formed by North America's leading agricultural cooperatives, announced its first investment in **Sabanto**, a US-based company developing autonomous capabilities in tractors. Sabanto's focus on row crops provides significant potential to lower equipment and labor costs for the cooperative members

Relative Performance Index



Key Indicators

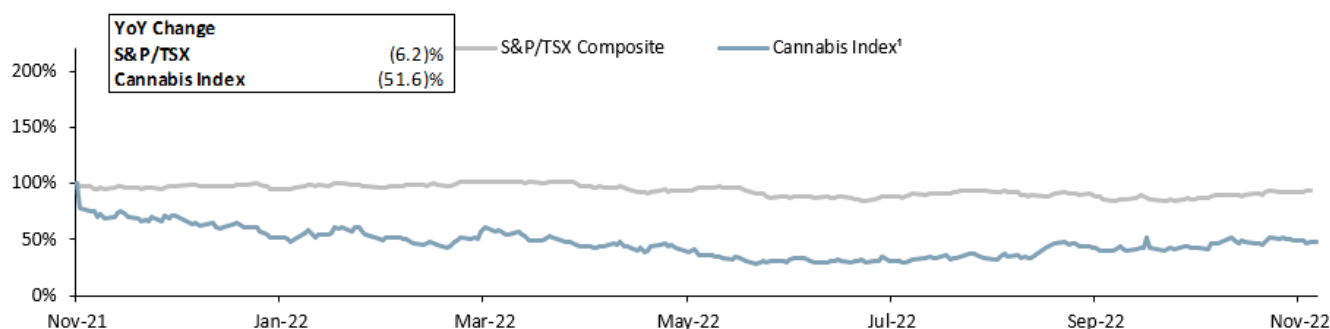
All Figures in USD millions unless indicated

	Market Cap	TEV	TEV/EBITDA		Price/Earnings		Week Δ	Δ Price
			2022E	2023E	2022E	2023E	Price	52Wk High
Deere & Company	133,244	190,034	16.4x	16.0x	17.3x	15.6x	8.6 %	(1.5)%
AGCO Corporation	9,907	11,782	7.6x	7.1x	11.2x	10.4x	7.9 %	(11.6)%
Ag Growth International Inc.	596	1,317	7.6x	7.1x	13.3x	11.1x	1.9 %	(4.7)%
CNH Industrial N.V.	16,144	30,159	15.0x	14.1x	11.1x	10.1x	6.8 %	(18.4)%
Farmers Edge Inc.	9	25	neg	neg	neg	neg	(14.3)%	(92.6)%
Mean			11.7x	11.1x	13.2x	11.8x	6.2 %	(5.9)%

News Scan

- ▶ On November 18th, **Khiron Life Sciences Corp.** (TSXV: KHRN) (OTCQX: KHRNF) (Frankfurt: A2JMZC), announced its market entry into Switzerland with initial sales of new products, and increased its product offerings in Germany and the UK
- ▶ On November 15th, **Jushi Holdings Inc. ("Jushi")** (CSE: JUSH) (OTCQX: JUSHF) announced the receipt of binding subscriptions totaling approximately US\$68 million for the issuance of 12% second lien notes and warrants to purchase Jushi's subordinate voting shares in a private offering
- ▶ On November 7th, **Tilray Brands, Inc. ("Tilray")** (NASDAQ | TSX: TLRY) announced the acquisition of **Montauk Brewing Company ("Montauk")**, the leading craft brewer in Metro New York. Montauk's product is sold across the US in top national retailers such as Target, Whole Foods, Trader Joe's, and Walmart. The acquisition is expected to be accretive to Tilray's adjusted EBITDA
- ▶ On November 7th, **JARS Cannabis ("JARS")**, a privately held, multi-state operating cannabis retailer, announced it has entered into a definitive agreement to acquire **Euflorea LLC**, an owner of boutique cannabis dispensaries in Colorado, for an undisclosed amount. The transaction will increase JARS' retail operations to include a total of 26 storefronts across three states
- ▶ On November 1st, **SNDL Inc.** (Nasdaq: SNDL) announced that it has successfully closed its acquisition of the **Zenabis Business**, whose core asset is a 380,000-square-foot indoor growing facility in New Brunswick, pursuant to a filing under the Companies' Creditors Arrangement Act (Canada)

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	1,748	1,916	4.5x	5.4x	neg	neg	(12.1)%	(68.0)%
Tilray, Inc.	2,354	2,620	4.6x	4.2x	nmf	30.1x	(5.9)%	(62.8)%
Cronos Group Inc.	1,183	537	6.7x	4.9x	neg	nmf	6.4 %	(30.8)%
Aurora Cannabis Inc.	432	463	2.7x	3.0x	neg	neg	(7.8)%	(79.5)%
OrganiGram Holdings Inc.	307	226	3.3x	1.9x	48.6x	14.2x	(3.0)%	(53.0)%
Mean			4.4x	3.9x	48.6x	22.2x	(4.5)%	(58.8)%

News Scan

- ▶ On November 23rd, **AgCanada** reported that if Agriculture and Agri-Food Canada's latest monthly principal field crop estimates hold true, mustard is having a bounce-back year. High prices for the seed led to nearly double the acres planted for the 2022-23 marketing year at 556,000, compared to 289,000 the previous year
- ▶ On November 23rd, **Reuters** reported that India is likely to allow a further 2-4 million tonnes of sugar exports in the 2022/23 season - a move which would leave total exports at 8-10 million tonnes and below last year's level of 11 million tonnes, according to the Indian Sugar Mills Association (ISMA)
- ▶ On November 21st, **Reuters** reported that Argentina soybean and corn planting was off to an unusually slow start as farmers there face a third consecutive growing season featuring a drought-supportive La Nina
- ▶ On November 18th, **The Western Producer** reported that low water levels on the Mississippi River in the United States could reduce corn and other grain exports, but are unlikely to affect fertilizer deliveries into Canada, according to officials
- ▶ On November 17th, **The Globe and Mail** reported that the FDA has cleared Upside Food's "slaughter-free" chicken for human consumption, putting lab-grown meat one step closer to restaurant menus and grocery store shelves in the United States
- ▶ On November 14th, **Successful Farming** reported that The United States Department of Agriculture released its 33rd Crop Progress report of the growing season, which indicated that the corn and soybean harvest is nearly complete, while most of the winter wheat has been planted as well, with all them ahead of their 5-year averages
- ▶ On November 10th, **Food Dive** reported that food-at-home prices increased 12.4% during the past year, according to the BLS' CPI for October. On a monthly basis, the price of groceries increased by 0.4% from September, the smallest monthly increase since December 2021
- ▶ On November 3rd, **The Globe and Mail** reported that the value of Canadian wheat exports jumped 65% in September from the previous month to \$1.1-billion, driven by both stronger volumes and prices, helping to bolster the economy at a time when other sectors are weakening

Commodities Futures as of November 25th, 2022

Commodities Futures	Price Unit	Latest Price (US\$)	Month to Date	Year to Date
Corn (CBOT)	\$ per bu.	\$6.71	(1.18)%	13.43 %
Wheat (CBOT)	\$ per bu.	\$7.97	(5.18)%	(5.15)%
Oats (CBOT)	\$ per bu.	\$3.84	(0.20)%	(49.49)%
Rough Rice (CBOT)	\$ per cwt.	\$18.12	3.07 %	26.80 %
Rapeseed (Canola) (ICE)	CAD per T	\$805.60	(10.20)%	(19.75)%
Ethanol (CBOT)	\$ per gal.	\$2.16	-	(2.08)%



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VIENNA PSIHOS
ANALYST



Canada at COP27

Impacts on the Canadian Food & Ag Sector

Over the past two weeks, the 27th Conference of the Parties took place in Sharm el-Sheikh, where world leaders gathered to discuss the growing risks impeding the action plan to address the climate crisis. Canada's participation at COP27 primarily comprised a re-iteration of its pre-established national strategy.

- **A Fully Committed Partner on Climate Action**

The Canadian government came to the table as a fully committed partner in advancing the implementation of climate action, beginning with the 2030 Emissions Reduction Plan, the country's comprehensive roadmap to achieve the goal of reducing emissions by at least forty percent by 2030, on the road to net zero by 2050. During the forum, the Canadian government committed to keeping the goal of limiting global temperature increase to 1.5 degrees Celsius. They announced new investments that will, if implemented, directly impact the Canadian Food and Agriculture sector with respect to methane emissions reductions and carbon pricing.

- **Goals: Emissions Reduction & Decarbonization**

Advancing last year's commitments and alongside the 10-year national Emissions Reduction Plan, Canada announced increased cooperation with the United States on reducing emissions, with a particular focus on methane, which will impact many of the country's sectors. The Agriculture sector is a critical component of the proposed reduction strategy, as it accounts for 30 percent of Canada's methane emissions and 10% of total emissions from three main sources: enteric fermentation, crop production and on-farm fuel use.

[Follow the link](#) to read about the funding, programs and solutions Canada has implemented or needs to achieve its climate action goals.

Cumberland Strategies has significant experience advising corporate clients in the agricultural and agri-food sector. If you would like advice on accessing ag-related government programs please contact Cumberland Chair, Bliss Baker, at bliss@cumberlandstrategies.ca.



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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