

# Ag & Vet Weekly



Monday June 7 – Friday June 11, 2021

*All the news on ASX-listed agriculture and veterinary companies*

- \* **ASX, AVW-42 UP: CANN GLOBAL UP 20%; ANATARA DOWN 6%**
- \* **ABARES: 'RECORD WINTER CROP'**
- \* **AVECHO: 'TPM INCREASES CANNABIDIOL ABSORPTION UP TO 5.4 TIMES'**
- \* **EPSILON TO SUPPLY CBD FOR MCRI SEVERE BEHAVIOR TRIAL**
- \* **NEXT SCIENCE H1 REVENUE \$4.5m TO \$5.2m, BEATS LAST FULL YEAR**
- \* **WIDE OPEN EXPANDS OATUP 'MILK' IN SA AND WA**
- \* **ELIXINOL APPOINTS HEALTH HOUSE DISTRIBUTOR, PHARMACANN OUT**
- \* **CRESO, HALUCENEX EXPAND PROPOSED PSYLOCIBIN PTSD TRIAL**
- \* **CRESO US OTC DUAL LISTING**
- \* **AGFOOD TAKES 10.7% OF TASFOODS**
- \* **SHANE GILD REPLACES AP HEMP DIRECTOR CAMERON PETRICEVIC**
- \* **MGC APPOINTS DAVID LIM JOINT CO SEC**

## MARKET REPORT

The Australian stock market was up 0.13 percent on Friday June 11, 2021, with the ASX200 up 9.8 points to 7,312.3 points. Twenty-two of the AVW-42 stocks were up, 14 fell, five traded unchanged and one was in a suspension.

Cann Global was the best, up 0.1 cents or 20 percent to 0.6 cents, with 6.7 million shares traded. Creso climbed 15.6 percent; Elixinol and Ocean Grown were up more than seven percent; Wide Open was up 6.1 percent; Bubs, Murray Cod, Nanollose and Select Harvests were up more than five percent; Memphasys improved 4.6 percent; A2, Althea, Apiam and Terragen were up more than three percent; Regeneus rose 2.4 percent; Fonterra, Pharmaust and Seafarms were up more than one percent; with Bega, Costa, Elders and Tassal up by less than one percent.

Anatara led the falls, down one cent or 5.7 percent to 16.5 cents, with 16,293 shares traded. Auscann and Huon fell more than four percent; AP Hemp, Food Revolution and Next Science lost more than three percent; Ecofibre, MGC and Palla shed more than two percent; with Clean Seas, Clover, Nufarm, Ridley and Synlait down less than one percent.

## BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS AND SCIENCES

The Australian Bureau of Agricultural and Resource Economics and Sciences is “set to reach a record high thanks to favorable climate conditions and high world prices”.

Abares said it forecast “above average winter crop production” in the 2021-‘22 season.

Abares acting executive director Dr Jared Greenville said the winter crop prospects were forecast to be well above average nationally, but there will be differences across growing regions.

“Winter crop production is forecast to be 46.8 million tonnes in 2021-‘22, which is below the near record high production last year but 13 percent above the 10-year average to 2020-‘21,” Dr Greenville said.

Citing the Abares ‘Australian crop report – June 2021’ a media release from the Federal Department of Agriculture, Water and the Environment said that, assuming average seasonal conditions for spring, it expected a two percent increase in the area planted with crops from last year to 23.2 million hectares.

The report said the area planted to wheat was forecast to increase one percent to 13.1 million hectares, canola was forecast to rise 25 percent to about 3 million hectares, chickpea was expected to increase 20 percent to 607,000 hectares, while the area planted to barley was forecast to decrease four percent to 4.2 million hectares.

Abares said wheat production was expected to fall 17 percent to 27.8 million tonnes, barley to decrease by 21 percent to 10.4 million tonnes, and canola production to increase by four percent to 4.2 million tonnes.

“Yield prospects in most cropping regions in New South Wales, Western Australia and much of Queensland are very favorable given the favorable conditions at the beginning of the winter crop season and the outlook for winter rainfall,” Dr Greenville said.

Abares said that the increased mice populations in the Eastern states had resulted in producers “undertaking more baiting than usual this season” which would increase production costs in affected regions, but farm management had minimized damage to winter crop plantings.

A media release from New South Wales Farmers said that the mouse plague had “caused heartache in farming and regional communities, damaging crops, fodder and machinery and presenting human health risks.”

“It’s the worst mouse plague for some time, and it could easily get worse without adequate intervention,” NSW Farmers vice-president Xavier Martin said.

Dr Greenville said the Bureau of Meteorology’s outlook for June to August indicated winter rainfall was likely to be above average in most cropping regions in the Eastern states and South Australia and above average in most other cropping regions.

The full report is available at: <https://bit.ly/3pG2QeR>.

## AVECHO BIOTECHNOLOGY

Avecho says that its tocopheryl phosphate mixture (TPM) phosphorylated vitamin E can “increase the dermal absorption of [cannabidiol] by 3.2 to 5.4 times”.

The company said that chief executive officer Dr Paul Gavin would present the data at the virtual ‘Global Cannabis Intelligence Summit 2021’ in a presentation titled ‘Overcoming cannabinoid formulation challenges using TPM, a novel form of Vitamin E’.

Avecho said that TPM increased both the oral and dermal absorption of cannabinoids Dr Gavin said that topical cannabinoid formulations were “receiving attention for a range of clinical indications, including dermatology and pain”.

Avecho was unchanged at 1.6 cents with 2.5 million shares traded.

### EPSILON HEALTHCARE (FORMERLY THE HYDROPONICS CO)

Epsilon says it will supply cannabidiol to a more than 140 patient trial at Melbourne's Royal Children's Hospital for severe behavioral problems with intellectual disabilities. Epsilon said it would supply the Murdoch Children's Research Institute (MCRI) at the Royal Children's Hospital with its berry-flavored 30ml CBD100 cannabidiol product as the study drug and a matching placebo for the trial.

The company said the trial was supported by the Victorian Department of Health, which would provide a cannabidiol isolate developed by IDT Australia at no cost to the Institute. Epsilon said the multi-centre, randomized, double-blind, placebo-controlled trial of severe behavioral problems in youths with intellectual disabilities was expected to be conducted over two years with each participant to be involved for 10 weeks.

The company said it would receive "a royalty free licence to the study data generated from the trial" with the Institute the sole sponsor of the trial.

Epsilon chief executive officer Jarrod White said the company's "participation in clinical trials and studies [was] critical to developing the medicinal cannabis industry in Australia". "We are pleased to support the Murdoch Children's Research Institute trial and appreciate the contribution from the Victorian Government which significantly reduced the cost of the company's involvement," Mr White said.

Epsilon was unchanged at 15 cents.

### NEXT SCIENCE

Next Science says it expects revenue for the six months to June 30, 2021 to be in the range \$US3.5 million to \$US4.0 million (\$A4.5 million to \$A5.2 million).

In February, Next Science reported that revenue, mainly from sales of the Bactisure treatment for surgical cavities and implants, for the year to December 31, 2020 was \$US3,440,975 (\$A4,360,922) with net loss after tax \$US11,912,004 (\$A15,102,766).

Today, the company said it expected the six-month revenue to exceed last year's full year revenue.

Next Science managing-director Judith Mitchell said she expected the company's "growth rate will be at least 230 percent on the prior corresponding period".

Next Science fell six cents or 3.3 percent to \$1.76.

### WIDE OPEN AGRICULTURE

Wide Open says it has expanded the distribution of its regeneratively farmed oat-based milk Oatup to 150 cafes and retail locations in South Australia and Western Australia.

Last year, Wide Open said it had shipped Oatup to Western Australia for its state-wide launch (AVW: Dec 18, 2020).

Today, the company said the product was available at independent grocers in Western Australia such as Farmer Jacks, Boatshed Market, Brindle Group - The Good Grocer, IGA, Bunbury Farmers Market, Williams Woolshed and Spudshed.

Wide Open said that initial South Australia sales were through Dirty Clean Food's distributor Ultimate Fine Foods which was marketing and selling Oatup to its network of customers particularly in the high-end retail sector.

The company said it had initial orders for Oatup from Singapore and was engaging with partners to expand its distribution beyond Australia.

Wide Open said it was expanding its online commerce platform to include a subscription service for Australian consumers to buy the product online and delivered to their homes.

Wide Open was up 5.5 cents or 6.1 percent to 95.5 cents.

### ELIXINOL WELLNESS

Elixinol says it has a two-year distribution agreement with Health House International to import its marijuana products from the US to distribute in Australia.

Elixinol said the deal with the Perth-based Health House for distribution under the Australian Therapeutic Goods Administration's special access scheme would begin on July 12, 2021 and had no minimum purchase requirements.

Last year, the company said Pharmacann would sell its marijuana products in Australia through the TGA's special access scheme (AVW: Jul 31, 2020).

This week, Elixinol said it would end the Pharmacann agreement due to Health House's "greater reach" and Pharmacann's contributions had "not been material".

Elixinol was up one cent or 7.4 percent to 14.5 cents.

### CRESO PHARMA

Creso says that target company Halucenex Life Sciences will expand recruitment for its phase II trial of mushroom-derived psilocybin for post-traumatic stress disorder.

The company said recruitment would include people who had "not served in the military or ... as first responders" with treatment-resistant, post-traumatic stress disorder (PTSD).

Creso said the expansion followed "overwhelming ... enquiries ... from individuals that suffer from debilitating mental health conditions and are seeking alternative treatment".

Creso said that Halucenex expected to begin the phase II trial following the receipt of a Dealer's Licence from Health Canada.

Creso was up 2.5 cents or 15.6 percent to 18.5 cents with 67.8 million shares traded.

### CRESO PHARMA

Creso says it has completed a dual listing on the US over-the-counter market with trading to begin on June 11 under the code 'COPHF'.

In March, Creso said the Over The Counter Quality Exchange second board (OTCQB) listing was due to "growing interest" from North American investors (AVW: Mar 26, 2021).

### TASFOODS

Agfood Opportunities Fund says it has increased its substantial holding in Tasfoods from 33,556,462 shares (9.52%) to 37,739,071 shares (10.72%).

A substantial shareholder notice signed by the Melbourne Securities Corp as trustee for Agfood, executive chair Paul Jensz said the shares were bought between March 26 and June 11 at prices ranging from 11 cents to 13.5 cents a share.

Tasfoods was unchanged at 12.5 cent

### AUSTRALIAN PRIMARY HEMP

Australian Primary Hemp says Cameron Petricevic has resigned as a non-executive director and will be replaced by Shane Gild effective from June 7, 2021.

AP Hemp said Mr Petricevic was its founding chair.

The company said that Mr Gild had 20 years' experience in equities and capital markets with Deutsche Bank Australia and UK, and Cannacord Genuity Australia.

AP Hemp said that Mr Gild was currently a non-executive director of Pay Group and held a Bachelor of Economics from Melbourne's Monash University.

AP Hemp fell 1.5 cents or 3.3 percent to 44.5 cents.

### MGC PHARMACEUTICALS

MGC says it has appointed David Lim as joint company secretary, with immediate effect. MGC said that Mr Lim had more than 15 years' experience in finance and corporate governance for ASX Listed companies.

The company said that he had previously been the chief financial officer and company secretary at Equigold NL, Aurora Oil and Gas and Elixir Petroleum.

MGC fell 0.1 cents or 2.1 percent to 4.6 cents with 3.9 million shares traded.