

Ag & Vet Weekly



Monday March 7 – Friday March 11, 2022

All the news on ASX-listed agriculture and veterinary companies

- * **ASX200 DOWN, AVW-42 EVEN: SEAFARMS UP 12%**
 - **CANN GLOBAL DOWN 7%**
- * **ABARES: 'FISHERIES, AQUACULTURE REBOUND WITH SEAFOOD DEMAND'**
- * **S&P INDICES: COBRAM UP; ECOFIBRE, SEAFARMS, SYNLAIT DOWN**
- * **KORDA MENTHA TO LIQUIDATE PALLA PHARMA**
- * **SUSTAINABLE NUTRITION: UP TO \$1m WOOLWORTHS DEAL**
- * **VINVA TAKES 5% OF ELDERS**
- * **TATTARANG, DR ANDREW 'TWIGGY' FORREST TAKE 9% OF BEGA**
- * **ETHICAL PARTNERS BELOW 5% OF BEGA**
- * **AUSCANN LOSES CFO CHARLES ALTSHULER; NEW CFO WANTED**
- * **MGC JOINT CO SEC RACHEL KERR MOVES TO SALES**

MARKET REPORT

The Australian stock market fell 0.94 percent on Friday March 11, 2022, with the ASX200 down 67.2 points to 7,063.6 points. Fourteen of the AVW-42 stocks were up, 14 fell, 12 traded unchanged and two were untraded.

Seafarms was the best, up 0.3 cents or 12 percent to 2.8 cents, with 1.7 million shares traded. Food Revolution climbed five percent; Epsilon and Rare Foods improved more than four percent; Cann Group, Clean Seas, Elixinol, Nufarm and Wide Open rose two percent or more; Clover, Cobram, Pharmaust and Tasfoods were up more than one percent; with Select Harvests up by 0.2 percent.

Cann Global led the falls, down 0.2 cents or 7.1 percent to 2.6 cents, with 677,239 shares traded. Murray Cod lost 5.4 percent; Creso was down 3.7 percent; A2, Bubs, Fonterra and Nanollose shed more than two percent; Bega, Botanix and Ecofibre were down more than one percent; with Australian Agricultural, Costa, Elders and Tassal down by less than one percent.

THE BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS AND SCIENCES

Abares says Australia's fisheries and aquaculture industry is expected to rebound during 2021-'22 as economies re-open and demand grows for seafood.

The Bureau of Agricultural and Resource Economics and Sciences executive director Dr Jared Greenville said that the industry's gross value of production was forecast to grow by 10 percent in 2021-'22.

"At the moment the value of the industry is forecast to reach \$3.55 billion in 2021-'22, the highest it's been since 2002-'03," Dr Greenville said.

"This strong growth is down to unanticipated growth in prices of farmed salmonid and oysters and farmed and wild-caught tuna and prawns," Dr Greenville said.

"This jump in prices reflects higher demand for seafood products as economies open up and higher input costs for seafood producers," Dr Greenville said.

"The value of the aquaculture and wild-catch sectors were neck-and-neck in 2019-'20, but in 2021-'22 aquaculture is expected to be the dominant segment of the seafood industry, hitting a peak production value of over \$2 billion for the first time," Dr Greenville said.

"The growth of Australian aquaculture has been driven largely by increased production of salmonids," Dr Greenville said. "We're also looking at an increase in exports this year, with the value of fisheries and aquaculture product exports expected to grow in 2021-'22 by seven percent to \$1.34 billion."

"We can expect this trend to continue in the medium term as well, with growing incomes and populations fuelling demand for Australian seafood," Dr Greenville said.

"Between 2022-'23 and 2026-'27, real export value is projected to rise by 1.8 percent to \$1.38 billion, averaging annual growth of 0.5 percent over this period," Dr Greenville said.

The Australian Fisheries and Aquaculture: Outlook to 2026-'27 is available at:

<https://www.awe.gov.au/abares/research-topics/fisheries/fisheries-economics/fisheries-forecasts>.

STANDARD & POOR'S DOW JONES INDICES

Standard & Poor's says that it has promoted Cobram Estate Olives and demoted Ecofibre, Seafarms Group and Synlait Milk.

Standard & Poor's said Cobram Estate Olives would be included in the All Ordinaries Index, with Ecofibre, Seafarms Group and Synlait Milk removed from the same index.

Standard & Poor's said the changes would take effect from the open on March 21, 2022.

PALLA PHARMA (FORMERLY TASMANIAN POPPY INDUSTRIES ENTERPRISES)

Korda Mentha administrators Craig Shepard and Bryan Webster says the second meeting of creditors resolved to wind up Palla Pharma.

Korda Mentha said that Mr Shepard and Mr Webster were appointed liquidators.

Last week, Korda Mentha said the administrators "do not anticipate a return to shareholders" following the liquidation of the company, with "priority employee creditors" to receive 100 percent, with unsecured creditors to receive between six and 84 percent of what they were owed by the company (AVW: Mar 4, 2022).

This week, the liquidators said it would rely on exemptions for financial reporting obligations and an annual general meeting.

"We anticipate providing a further update to the market, including any potential return to shareholders, over the coming weeks once the asset realization process has progressed," Korda Mentha said.

THE SUSTAINABLE NUTRITION GROUP

Sustainable Nutrition says it has a distribution agreement for its baking products with Woolworths, expected to generate \$900,000 to \$1 million in revenue.

Sustainable Nutrition said the agreement extended its distribution to include its hemp and plant-based Mt Elephant banana bread and vanilla pancakes and chocolate pancakes, and a savory bread, with all its Mt Elephant products available nationally.

The company said Woolworths had discontinued its Mt Elephant Mylk hemp and oat milk products, but the extension of the Mt Elephant agreement would “more than offset the loss of the Mylk product range”.

Sustainable Nutrition was unchanged at 14 cents.

ELDERS

Vinva Investment Management says it has become substantial in Elders, with 7,839,523 shares or 5.01 percent of the company.

The Sydney-based Vinva said between November 7, 2021 and March 7, 2022 it bought, sold and transferred shares, buying 984,030 shares for \$11,683,592, or \$11.87 a share. Elders fell four cents or 0.3 percent to \$12.00 with 657,129 shares traded.

BEGA CHEESE

Tattarang and Dr Andrew ‘Twiggy’ Forrest say they have increased their substantial holding in Bega from 20,012,451 shares (6.61%) to 27,273,874 shares (9.00%).

The Perth-based Tattarang said that it acquired 7,261,413 shares between January 10 and March 9, 2022, for \$35,137,064, or \$4.84 a share.

Bega fell nine cents or 1.9 percent to \$4.75 with 1.1 million shares traded.

BEGA CHEESE

Sydney’s Ethical Partners Funds Management says it has ceased to be substantial in Bega, selling 3,500,000 shares for \$16,830,012, or \$4.81 a share.

Ethical Partners said that between January 7 and March 7, 2022 it bought and sold shares, with the largest sale 1,190,049 shares for \$5,593,230 or \$4.70 a share.

AUSCANN

Auscann says chief financial officer Charles Altschuler has resigned, effective from April 7, 2022, and it will begin the search for a new chief financial officer.

Auscann was unchanged at 6.4 cents.

MGC PHARMACEUTICALS

MGC says Rachel Kerr has retired as joint company secretary to take up a project management role in the sales department.

MGC said that David Lim would continue as the sole company secretary.

MGC was unchanged at 2.3 cents with 6.9 million shares traded.