

# Ag & Vet Weekly



Monday August 8 – Friday August 12, 2022

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

- \* **ASX DOWN, AVW-42 UP: AVECHO UP 8%; TASFOODS DOWN 5%**
- \* **A2 MILK: FDA 'DEFERS INFANT FORMULA APPROVAL'**
- \* **ANATARA BROMELAIN POULTRY TRIAL 'INCONCLUSIVE'**
- \* **FONTERRA EARNINGS AT 'TOP END' OF FORECAST**
- \* **CRESO INVESTORS BACK SIERRA SAGE ACQUISITION**
- \* **MEMPHASYS EXTENDS 'CAPITAL RAISING' SUSPENSION**
- \* **BLACKROCK BELOW 5% IN ELDERS**
- \* **EPSILON LOSES EXECUTIVE DIRECTOR DR ROB JENNY**
- \* **ELDERS LOSES CFO TANIA FOSTER; PAUL ROSSITER ACTING**

## MARKET REPORT

The Australian stock market fell 0.54 percent on Friday August 12, 2022, with the ASX200 down 38.5 points to 7,032.5 points.

Nineteen of the AVW-42 stocks were up, nine fell, nine traded unchanged and five were untraded.

Avecho was the best, up 0.1 cents or 8.3 percent to 1.3 cents, with 394,166 shares traded.

Wide Open improved 7.9 percent; Apiam climbed 6.7 percent; Elixinol was up five percent; Althea, Auscann and Nanollose were up more than four percent; Cann Group and Fonterra improved more than three percent; Clean Seas, Costa and Creso rose more than two percent; Elders, Pharmaust and Tassal were up more than one percent; with A2, Clover, Cobram and Nufarm up by less than one percent.

Tasfood led the falls, down 0.4 cents or 5.1 percent to 7.4 cents, with 45,357 shares traded. Food Revolution, RLF and Terragen lost more than three percent; Epsilon shed 2.7 percent; Next Science and Synlait were down more than one percent, with Ridley and Select Harvests down by less than one percent.

## A2 MILK

A2 Milk says the US Food and Drug Administration has “deferred” making a decision on whether to allow the company to import infant formula products into the US.

Last week, A2 Milk said that despite media reports saying that approval could be “as soon as this week”. it had not received approval to import its infant milk formula into the US (AVW: Aug 5, 2022).

The company said last week that it “wishes to confirm that while we have been informed by the FDA that our application is under active review, at this stage there is no certainty as to the outcome of the application or the timing of any approval”.

This week, A2 said that the FDA was “deferring further consideration of the company’s request for enforcement discretion to import infant milk formula products into the US”.

A2 was up three cents or 0.6 percent to \$4.91 with 2.5 million shares traded.

## ANATARA LIFESCIENCES

Anatara says the trial of its bromelain-based poultry feed formulation were “inconclusive” and discussions on future development were “ongoing”.

In an ‘Operational update’, Anatara said that a poultry trial “with a leading [unnamed] Australian producer using ANR-pf in broilers ... delivered mixed results that suggested to both parties that a commercial product pathway requires further investigation”.

The company said that the need to address anti-microbial resistance across animal production remains a strong focus in the industry.

Anatara said that it had been “re-contacting more than 300 potential participants” for a broader gastrointestinal re-programming (Garp) complementary medicine trial criteria of irritable bowel syndrome (IBS) modified to exclude only the constipation subset, and the change “led to an improvement in conversion from interest to enrolment”.

Anatara said that participant numbers were “short of the recruitment milestone anticipated by this point after the broadening of IBS patient criteria” but there were about 18 of the required 90 patients for the interim readout enrolled.

Anatara executive chair Dr David Brookes said that “Anatara, like many other biotechnology companies, has been challenged with trial recruitment over the last year or so”.

“While being disappointed to be behind in our anticipated recruitment milestone following the broadening of the Garp trial criteria, our team is confident that the findings of the continuing review process will allow ongoing momentum with enrolment,” Dr Brookes said.

Anatara was untraded at seven cents.

## FONTERRA CO-OPERATIVE GROUP

Fonterra says its earnings for the year to July 31, 2022 will be “towards the top end of its current guidance of 25 to 35 New Zealand cents per share”.

Fonterra chief executive officer Miles Hurrell said that “while we are still in the process of finalizing and auditing our ... numbers, we now have enough certainty overall to provide an update ahead of our annual results announcement in September,” Mr Hurrell said.

“Our Co-op has made good progress against our strategy over the past 12 months, and we look forward to updating our stakeholders when we release our results in September,” Mr Hurrell said. “Looking ahead, we see a positive outlook for dairy.”

“We continue to see favorable supply and demand dynamics and remain well-positioned to keep delivering against our strategy,” Mr Hurrell said.

Fonterra was up 10 cents or 3.6 percent to \$2.87.

### CRESO PHARMA

Creso's extraordinary general meeting overwhelmingly backed the acquisition of Sierra Sage Herbs LLC, with more than 98.4 percent of investors voting for all resolutions. In February, Creso said it would buy the Lyon, Colorado-based Sierra Sage for \$US21 million (\$A29.5 million) in shares, with additional milestone payments (AVW: Feb 4, 2022). Creso said the greatest dissent was from 4,690,912 votes or 1.88 percent of votes cast. Creso was up 0.1 cents or 2.6 percent to 3.9 cents with 5.2 million shares traded.

### MEMPHASYS

Memphasys has requested a further extension to its voluntary suspension 'pending release of an announcement to the ASX with respect to the capital raising'. In July, Memphasys requested a trading halt pending an announcement "regarding a capital raising" and later requested a suspension "regarding a court application concerning ... cleansing notices" (AVW: 29 Jul, 2022). This week, the company said it expected the announcement on or about August 15, 2022. Memphasys last traded at 4.5 cents.

### ELDERS

The New York-based Blackrock Group says it has ceased its substantial holdings in Elders, having become substantial in June with 8,013,788 shares or 5.12 percent. Blackrock said that between June 20 and August 4, 2022 it bought and sold shares, with sales in the range of \$11.27 a share to \$13.01 a share. Elders was up 13 cents or 1.1 percent to \$12.22 with 822,937 shares traded.

### EPSILON HEALTHCARE

Epsilon says Dr Rob Jenny has resigned as executive director, effective from August 7, 2022.

Epsilon said Dr Jenny had been an executive director since August 2021, as part of an arrangement between it and Melbourne's Cannvalate Pty Ltd marijuana company to secure a "broader strategic alignment".

The company said it would not consider a new appointment to its board at this time. Epsilon fell 0.1 cents or 2.7 percent to 3.6 cents.

### ELDERS

Elders says chief financial officer Tania Foster has resigned to "return to Melbourne for family reasons", effective from August 31, 2022.

Elders said its group treasurer Paul Rossiter had been appointed as interim chief financial officer and it would begin a search for a replacement CFO.

The company said Mr Rossiter held a Bachelor of Accountancy from the University of South Australia.