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TRANSCRIPT

FOOD SECURITY & THE AGRICULTURAL SUPPLY CHAIN

LYTHAM PARTNERS FALL 2021 INVESTOR CONFERENCE PANEL

Top Agricultural executives discuss and debate food security and its effects on their industry.

For a replay of the Food Security panel please visit:
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The Lytham Partners Investor Conference brings companies and investors together through webcast presentations, fireside chats, industry panels, and virtual 1x1 meetings. Each event is archived and available for on demand viewing. Our conference series has featured more than 125 companies from various industries including healthcare & pharma, cannabis, consumer, technology, industrials & special situations, clean technology, and financial technology & cryptocurrency.



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ROBERT BLUM, MANAGING PARTNER, LYTHAM PARTNERS

All right. Hello everyone and thank you all for joining us during the Lytham Partners Fall 2021 Investor Conference. My name is Robert Blum, managing partner of Lytham Partners. Up next, we have a panel presentation, which we hope you'll find insightful covering recent agricultural trends. We have a diverse panel of participants that can each provide their own unique perspective on the topics that have become rather timely on late with agricultural commodity prices rising, logistical challenges facing the industry in the phase of the pandemic, trends within the industry towards greenhouse gas emission reductions and general overall sustainability and the general impact that food insecurity can have across the globe.

I'll go around the room and have everyone introduce themselves shortly. But before I do that, for those not familiar, Lytham Partners is one of the country's leading investor relations firms. With more than two decades of corporate access experience, we have built one of the industry's most diverse and effective platforms for connecting small cap companies with high quality and focused institutional investors, while also creating a framework of best practices in all aspects of investor relation. Today's panel discussion is hopefully another example where we can bring value to multiple constituents.

With that said, if everyone could please introduce themselves, provide a little background on themselves, and a brief overview of the firm's they represent, I appreciate it. Mark, why don't you begin? Mark Wong, I apologize, why don't you begin?


MARK WONG, CEO, S&W SEED COMPANY

Thanks, Robert. My name is Mark Wong and I'm the CEO of S&W Seed. We're a publicly traded, approximately \$100 million sales, seed company. We do sales around the world, and we develop proprietary products with plant breeding and molecular techniques in four main crops, basically sorghum, alfalfa, the pasture products and stevia. About 60% of our sales are operated out of Australia and the rest out of the United States. And happy to be on the panel today, Robert.

ROBERT BLUM, LYTHAM PARTNERS

Thank you very much, Mark. Brian Ostroff?


BRIAN OSTROFF, PRESIDENT, ARIANNE PHOSPHATE INC.

Well, thank you for having me. I'm Brian Ostroff, I'm the President of Arianne Phosphate. Arianne is developing a phosphate deposit in Canada. It is the world's largest to greenfield deposit, high purity, really a world-class product that will hopefully help the world ease what's coming – crunching in fertilizers. I've acted in senior management for about five years now and director for about seven years. My background is by and large capital markets in the resource space. I look forward to participating in this conference.

ROBERT BLUM, LYTHAM PARTNERS

Perfect. Thank you, Brian. Marc Hazout?


MARC HAZOUT, PRESIDENT & CEO, SUSGLOBAL ENERGY CORP.

Thank you, Robert. So my name is Marc Hazout and I'm the President and CEO of SusGlobal Energy Corp. SusGlobal processes large volumes of municipal organic waste, and we produce regenerative products as part of our circular economy initiative. We produce fertilizers and organic fertilizers, dry organic composts and a proprietary award-winning organic pathogen free liquid fertilizer. We provide these products for the agriculture industry, cannabis industry and the wine industry. That's basically diverting organic waste streams from landfill in order to reduce greenhouse gas emissions as part of the climate change initiative.

ROBERT BLUM, LYTHAM PARTNERS

Perfect. Thank you, Marc. And finally, Ben.


BEN KLIEVE, SENIOR RESEARCH ANALYST, LAKE STREET CAPITAL MARKETS

All right. Thanks, Robert. Ben Klieve, equity research analyst at Lake Street Capital Markets, covering the broad food and agriculture space. My coverage focuses though generally on the small microcap side of food and agriculture, generally fitting within one to two buckets. So, either companies that are – I think represent a really the next generation of agricultural production via some kind of proprietary technology or kind of more intense focus on sustainability or kind of long-term consumer trends. Also focus on companies that are still in that small cap space represent kind of legacy production or how agriculture has been done, but just represent companies that I think are really well positioned for long-term growth in areas that really aren't subject to substantial change or those that are just undervalued. So, kind of broad coverage open down the food chain from upstream to downstream and I look forward to this conversation today.

ROBERT BLUM, LYTHAM PARTNERS

Perfect. Thank you everyone for those overviews here. Let's begin here. The first item I want to cover is agricultural commodity prices. Over the last 12 months, agricultural commodity prices have surged really – corn, soybeans, wheat upwards of more than 100% in many cases. We really haven't seen these levels for almost a decade. Let's begin with you Mark Wong. What do you think of the biggest contributing factors to the rise we've seen in the agricultural commodity prices of late? And since you're probably closest to the farmer of the panelists that we have here, what has this increase in pricing meant to them?


MARK WONG, S&W SEED COMPANY

Thanks, Robert. So, yes, we are very close to the farmer. I've been in the seed biotech business for 40 years, and this is really one of the most amazing ag markets that I've seen. So as Robert you pointed out, commodity prices are up, sometimes 100% as is with corn and soybeans at different times in the year. But what's driving – so historically what drives price increases normally in ag markets like all markets, when supply and demand are out of sync, you get higher prices when demand is more than supply. So, we're in a market right now where demand is much higher than available supply. Normally, that historically has happened when there has been a crop failure somewhere in the world. So, you don't get rain or you get too much heat or a freeze and part of the world's production goes out and that changes the crops, so that the prices go up.

In the current market though, it's really because China has put huge pressure on the demand side. So, it's not a supply side shortage, it's a demand side increase. And China is buying commodities to rebuild their hog herds and to raise in general the nutrition of the Chinese population, which at 1.4 billion people is a big piece of the world's population. So, it's really a demand driven price increase rather than a supply shortage price increase. And that's something that we haven't seen very often in ag.

ROBERT BLUM, LYTHAM PARTNERS

Thanks for that, Mark. Brian, I turn to you for a moment here, in addition to the end product, agricultural commodities increasing such as corn or wheat as we just mentioned. We've also seen significant price growth in the agricultural end inputs, right, particularly fertilizer. For those that may not follow the fertilizer market actively help us understand what's taken place there over the last few years.


BRIAN OSTROFF, ARIANNE PHOSPHATE INC.

Sure. Well, just piggybacking a bit on Mark's comments, look you have higher grain prices, which allows the farmer to go and pay more for fertilizer. And to your point, yes, fertilizers are kind of the often-forgotten piece in the puzzle. And so people don't really watch it. But I get it from commodity investors, gold is sexy, oil is sexy, but at the end of the day, you can't eat gold, you can't drink oil. This is the stuff that really matters. And these cycles tend to last quite a while. For seven years, we've had down trends in fertilizer phosphates, and no one increased their supply. But this is a commodity where demand grows every single year. So, after seven years, limited growth to supply, demand has come along and maybe it's caught some people by surprise, it shouldn't, but it's definitely a challenge.

**BRIAN OSTROFF, ARIANNE PHOSPHATE INC. (CONT.)**

So, we've had fertilizer prices pretty much double in the last 9, 10 months. They've tripled off their lows of late 2019. I would add another thing to Mark's, which supply demand, look – the last time the ag cycle was up at these levels, USM2 was sitting at \$8 trillion. Today, it's sitting at \$20 trillion. And so you've had a lot of commodities go to all time highs and equities, real estate and foods going to go. And food prices are going to be driven higher because I think fertilizer prices are going higher. And so, look I think it's a challenging backdrop. We'll probably get into it a little bit more during the conversation. But again, fertilizers often forgotten, but the first piece in the food chain.

ROBERT BLUM, LYTHAM PARTNERS

Perfect. Thank you for that, Brian. Marc Hazout, the rising cost of agricultural input – particularly fertilizers we're talking about, it must provide you with a unique opportunity, I suppose, to leverage your organic based business. What has price appreciation in commodities and these inputs meant for your business here recently?

**MARC HAZOUT, SUSGLOBAL ENERGY CORP.**

Well, again, I'll piggyback also on Mark and Brian's comments. Yes. I think, firstly, the pandemic has impacted the food supply and fertilizer demand. Fertilizer is a \$200 billion per annum market. And then there is a subset market, which is the organic fertilizer market. And that's growing at a CAGR of 11.3% to \$19 billion in the next several years. So for us it's – this is a more sustainable method of processing organic waste streams and producing these regenerative products, which are organic. And then you have new commodities that are driving the organic fertilizer marketplace because of the demand for organic products, everything from Whole Foods to the cannabis industry. Now, in Canada, 50% of cannabis demand is for organic cannabis and to grow organic cannabis, you have to use organic fertilizer, meaning no chemicals.

And these are the products that we produce. So, yes, there is a demand that we have seen. We saw an increase in organic waste streams over the last two years because of the pandemic. The population was staying home and producing more organic waste. And part of our model, of course, is to divert that organic waste stream from landfill as part of the climate change initiative and climate change itself has caused a demand and a problem for food supply. And again, the best method to avoid any – or to improve climate change is soil sequestration. And that's with better quality fertilizers and diverting from landfills, so that you don't have leachate penetrating soils and causing more, more issues. So, again, fertilizer, big market, organic fertilizer, another subset to that market and the pandemic has certainly impacted those demands.

ROBERT BLUM, LYTHAM PARTNERS

Ben, turning to you here from an agricultural equity analyst point of view, in your discussions with the companies, with investors and the research you're doing on the markets, what impacts and opportunities are you seeing out there given the rising commodity price, right? And perhaps without naming specific companies, who are the beneficiaries and what companies are perhaps at risk due to these rising prices?

**BEN KLIEVE, LAKE STREET CAPITAL MARKETS**

Yes. So I think for investors throughout really the ag economy, one high level takeaway that I have for – in general in the space is that the companies that I think are more highly correlated with commodity prices are generally the higher cap names. I think generally most companies in the small cap space today are more insulated from considerable swings in commodity prices either because they're more emerging players, have technologies that are disrupting the addressable market, maybe have products that are kind of uniquely suited towards a sustainability angle or something of the like. Also maybe have products that just have relatively inelastic demand. Brian, you said phosphate is not sexy. I disagree.


BEN KLIEVE, LAKE STREET CAPITAL MARKETS (CONT.)

I think ag inputs that are – that have to be applied, no matter what the underlying commodity price is, that's a pretty compelling narrative in my view. I think the – kind of inputs across ag that are more susceptible to volatility with commodity prices are going to be those that are more irregular and really take off on farmer's balance sheets can support them. So, most of them we think like capital intensive parts of the market, so ag machinery, infrastructure, et cetera. But I think generally the small cap space doesn't have a much exposure to commodity risk, but in terms of kind of what parts of the market really do have, I think, a lot of opportunity amid this high pricing dynamic, I'd say the machinery space is probably the most considerable.

ROBERT BLUM, LYTHAM PARTNERS

Perfect, sounds good. Thank you for that, Ben. Let's transition for a moment here. I mean, nearly everywhere you turn, there are reports of breakdowns in global supply chain, right? We've seen in semiconductor industry, in lumber, toilet paper, you name it, right. However, when the issue arises affect the agricultural segment of the market, they tend to hit a little bit closer to home for most people and cause sort of significant impacts on just sort of society in general. I think recently the American Farm Bureau Federation sent a list of critical supply chain issues facing America's farmers to Ag Secretary, Vilsack, here recently including. The Farm Bureau are recommending that the USDA work with relevant authorities to improve the nation's rail and port systems, for instance, among a number of other recommendations.

Mark Wong, I know this has affected your business here. Talk about the biggest logistical issues facing the industry from your standpoint and what opportunities are out there to perhaps ease them?


MARK WONG, S&W SEED COMPANY

Yeah, thanks, Robert. So 18 months into COVID, I am still amazed that we're battling as a worldwide population, all the problems created by COVID, especially as you mentioned in the supply chain. So seed companies like ours are pretty fortunate in that. We basically don't have to order chips or anything. We have our own germplasm, the parent seed that we grow our seeds out of and we just put those in contract with a farmer and he grows our seed, and we clean that. And then we have a product to sell to other farmers all around the world. And as I mentioned, about 60% of our sales is outside the U.S., in Australia, and the rest of the world. We sell about 50 countries, and we sell – and we send thousands of containers of seed all around the world every year.

This is – I've been in this business 40 years. I didn't say much about my history, but this is my fourth seed biotech company, as CEO, and I have never seen this ever before. So we're having trouble just getting trucks to take seed across the U.S. Trucks in Australia to take seed across Australia. But the problems really multiply if you're trying to get seed on ships, containers on ships. We send a lot of seeds to the Middle East. Normally we would send it, for instance, out of San Francisco or L.A. or San Diego to the Middle East. This year we had to send one set of containers out of Houston because all the shipping schedules were jammed up and it had to go through the Panama Canal and then across the Pacific to get to our customer in the Middle East. So it's just incredibly dysfunctional system. You book a ship and then they'll call you and say, well, your ship was supposed to sail on Tuesday, but now it's not going to. Would you like to make other arrangements and your containers already on the ship. So it's just unbelievably difficult.

In terms of constructive things, obviously you have to pay a lot more attention to every detail of shipping sort of schedule and the paperwork that's required. But all of the ag suppliers that I know are trying to move product so that it's closer to their farmer customers. So all of us are spending the money to open new warehouse facilities near a big acre farmers and so that would be in the Midwest or in Eastern Australia so that we can move the seed from our production facilities, which are usually in the West in the U.S. and in the middle of Australia. We can move our seed to where the farmers are. So it's really hard to be very creative though. And other than moving stuff closer to the farmer, it's hard to find solutions. But of course that adds cost and a lot of seed companies this year have had huge increases like all other industries and how much companies charge per container to get at a certain distance. And freight costs are really sometimes 5x of what they were in a more normal market a couple years ago.

**MARK WONG, S&W SEED COMPANY (CONT.)**

So we're predicting that this is going to continue through the rest of 2022 calendar year. And we're just hoping that more people get vaccinated and that we don't see so many variants come to attack different nations around the world. And of course, as with most health officials we're worried that there'll be a new variant that the vaccines are less effective on, and that would be a real problem for all the people around the world. So not a good report, sorry, Robert, on what to do about it, but it is a major problem.

ROBERT BLUM, LYTHAM PARTNERS

No, no, no. It's certainly an issue affecting everybody here nearly. So Brian, let's look at the sort of global supply chain from maybe a slightly different angle, right. Looking at the fertilizer industry, I think it's about 85% of the global supply of phosphate, which is again, to those not familiar, one of the three key ingredients for fertilizer is controlled by what they call sort of the downstream integrated suppliers, right, such as a Mosaic, for instance. So of that remaining 15% of and, let's call it sort of the independent supply, about two-thirds of that comes from the Middle East and North Africa, for instance. Help the audience sort of understand the risks to the global supply chain of fertilizer through this setup and how Arianne's project perhaps fits into that equation.

**BRIAN OSTROFF, ARIANNE PHOSPHATE INC.**

Well, I don't want to sound alarmist, so I'll just sound the alarm. Look, to your point, Robert, the world is dependent on MENA, Middle East, North Africa when it comes to phosphate, phosphate fertilizers. North America, South America, Western Europe, big areas of Asia, we're all in deficit. And as I had said earlier, that demand grows every single year. So we're all short, getting shorter. Where does that come from? It comes from the Middle East and North Africa. So today Morocco is the world's largest. They're a huge player, but it's a really good address, but in a questionable neighborhood. One need only look at Tunisia and Arab Spring, they were the world's second largest producer of phosphates for the export market. And six months ago, they had to borrow money from the Islamic Development Bank to buy phosphates because of Arab Spring it just hasn't come back from.

So this thing's a Tinder box. I had mentioned Arab Spring that was caused by food insecurity. We're seeing that again. We recently saw it in Cuba. I mean, the prices are marching and as Mark had said, whether it's demand or supply challenges, that is going up, but you need the fertilizer. And so just to add some breaking news, if you will, last week, just if you want to talk about supply, China, who is a decent sized exporter of phosphate fertilizers, the government has ordered their state-owned enterprises, there's no selling – there's no exporting of phosphate fertilizers. So India today is the world's largest importer, and they would get some from China and Vietnam and Bangladesh. And so you want to talk security of supply, I mean, this is a big deal.

And so, Mark, to your point earlier, you had said about how demand is growing. And so you've got a population of 1.4 billion people, and their demand is growing, and phosphate is also used in animal feeds. And so it's a real challenge. So just even looking at it from a North American perspective, Mosaic doesn't have enough. They don't have enough. We are all reliant on importers. You know what? I remember, I was very young at the time, but North America relied on the Middle East for energy and in the 70s we had a big problem. And so we can have the best corn fields in Nebraska and Iowa, but we've got a real kind of scary supply situation. So, you know, what's that mean in Arianne.

So, Arianne in the Province of Quebec. It is the world's largest greenfield deposit. It is certainly part of an answer. We are fully permitted. We make a very pure phosphate concentrate. It is very ESG friendly. And this is something that matters. Look, at the end of the day, you need this stuff. So, Ben, to our point back and forth about whether it's sexy or not; sexy, yes, sexy, no, really doesn't matter, we need it. Like, you will literally die without it. And so it's key.

ROBERT BLUM, LYTHAM PARTNERS

All right. Thanks for that, Brian. Let's – given sort of the limited time we have here, I want to shift topics slightly and talk about sort of sustainability and the risks and opportunities to the agricultural industry to reduce greenhouse gas emissions. I think everywhere we turn the discussion is becoming more prevalent here. Marc Hazout to your business, as you've mentioned, is based on the circular economy and leveraging recyclable organic waste to bring organic fertilizers to the market. Help the audience sort of understand some of the trends within the agriculture industry towards sustainability and the ability your company has to sort of match, meet sustainability goals and some of the challenges maybe Brian outlined a moment ago given sort of the fertilizer supply chain.

MARC HAZOUT, SUSGLOBAL ENERGY CORP.

Well, thanks, Robert. So SusGlobal is a little more fortunate. Our feedstock comes from municipal organic waste. And now more states and provinces have legislated no more landfilling organic waste. Brian mentioned Quebec. Quebec is one of the first provinces that has legislated no more landfilling organic waste. So we're finding more municipalities, more haulers are scrambling to find facilities that can process these organic waste streams. And this is exactly what the SusGlobal's model is, divert from landfill to reduce greenhouse gas emissions as part of the climate change initiative. And of course, produce regenerative products and we're producing fertilizers. And we find that domestic demand is ample enough for our marketplace.

So again, processing organic waste streams, this is a new – it's a sustainable method. We have proprietary methods to do this and to produce fertilizers for agriculture. And we're finding the demand domestically is growing exponentially. We have the cannabis industry, is driving a lot of our demand and also the wine industry. One of our facilities, one of our new facilities is adjacent to the wine industry in Niagara. And we're providing those fertilizers, organic fertilizers. There's a demand for those organic fertilizers.

So, in terms of the circular economy, we were chosen as one of 39 companies globally driving that because we have an ideal circular economy model. We've taken in large volumes of municipal organic waste. And by the way, each of our facilities has an environmental compliance approval license. So, this is an important part of our model. It's a significant intrinsic value to have these licenses, process those municipal organic waste streams and produce these organic fertilizers that we sell into the fertilizer marketplace. Our liquid fertilizer. It's a pathogen-free organic concentrate that's mixed by the end user 1:100. And we find that there's a great demand for these types of fertilizers. So again, for sustainability, our model really addresses that. And for the first time next quarter, we're actually going to be reporting the carbon credits that we're receiving from diverting those organic waste streams from landfill and having those third party, having them audited by third parties and selling them into a voluntary carbon market.

That's why they're being diverted from landfill to reduce the greenhouse gas emissions and also our regional model to have these facilities in a certain radius to reduce the carbon footprint of haulers. That's also important part of reducing carbon emissions. So yeah, it's an important part of sustainability is to be able to divert organic waste streams from landfill and produce fertilizers to go back into agriculture as part of the circular economy initiatives.

ROBERT BLUM, LYTHAM PARTNERS

Yeah. And then Mark Wong – thank you for that Marc. Let's get your sort of perspective on this as well as it relates to sustainability. I think S&W recently announced a stevia production agreement for instance with Ingredion. The agreement helps to address sort of two critical issues. One is the ability to eliminate potential supply chain issues by growing the plant in the U.S., right. Where currently most stevia is grown in Asia. But it also addresses a key sustainability opportunity to allow the stevia to function as a green cover crop, for instance, helping to sequester carbon there. So talk about the opportunities you're seeing out there to sort of marry business opportunities with sustainability objectives by customers.



**MARK WONG, S&W SEED COMPANY**

Yeah, thanks Robert. So, in a world where there's always more people to feed and where standards of living are rising so that people want to eat better, we're all trying to produce more food from either this same acre or use acres more efficiently to produce more food. So, one of the things that is under discussion in agriculture is all of these sort of cover crops, keeping crops on the land all year round, so that you don't have part of the year where you're growing something and then part of the year where you only see dirt. Why not use that acre for the full year by either growing a perennial on it or by planting two crops on it? So, we're also in addition to stevia, we look at some new ideas for planting useful cover crops that can be harvested for their oil or their meal. But for the specific example that you mentioned in stevia. So, stevia right now is a leaf that is harvested as a sweetener. It is non-caloric, so diabetics can consume it. And most of the stevia leaf is grown in China, pretty much 95% of it. And that's because costs are low and it's a hand harvested crop in China. We've developed a system with our plant breeding as the base where we have proprietary germplasm that then we plant in the Southeast in the U.S. And we leave that in the ground for three years, so stevia is a perennial, we're a company that is comfortable with perennials because we sell alfalfa as one of our basic products. And we sell pasture grasses. They obviously are not planted every year. They're left for many, many years before replanting and stevia is the same.

And so, in the U.S., we leave the crop in the ground for three years. We reduce the cost of the crop by doing that. So, the cost of a pound of stevia leaf is less by doing that. But we also sequester carbon for the full year because the crop is basically a cover crop that has a use. And so, we've developed this system in the U.S. to basically plant stevia and harvest it, but mechanically with the machine. And we announced a month or so ago an agreement with one of the big stevia suppliers Ingredion to basically start producing leaf in the U.S., so that they could produce stevia in the U.S. for the U.S. market, which is the biggest market in the world. And that all of these problems that we talked about before with supply chain issues and stuff could be minimized, because we're producing the crop where it's going in the country, where it's going to be consumed. And that's kind of a new theme that I think a lot of companies are looking at. So, it's a nice situation for us. We have been working on this crop for 10 years. It's nice to sort of see that something commercially viable is coming of it finally. And we're excited about that, but we're also excited that where like Marc was describing, going to probably eventually be in the business of having carbon credits to sell.

ROBERT BLUM, LYTHAM PARTNERS

All right. Thanks for that Mark. And Ben let's from your perspective here, how are investment funds viewing sustainability in connection with the sort of agricultural companies and funds? Are they – are agricultural companies aimed to benefit from this sort of new view on investing in sustainability?

**BEN KLIEVE, LAKE STREET CAPITAL MARKETS**

And not as much as they should. I'll tell you that the – there's a big misconception out there. I think among just consumers in general and investors after all are – consumers as well. And that misconception, I think is that the agricultural industry in general is, doesn't really consider sustainability as a part of their intent to drive bottom-line. And to the extent to which they do have sustainability efforts that it's considered greenwashing. I will tell you that I think it's absolutely the opposite. I think just about every company I speak to has real, real benefits derived from being able to have more sustainable solutions in any number of different manners. So, really both Marks on this call have alluded to a couple of those opportunities, the shift to indoor production for crops that are – and seafood that's able to be produced indoors is a big one. And a number of other opportunities out there are really, really compelling from an investment perspective. But at the same time, I don't think that that many institutional investors that have an ESG angle really appreciate this opportunity as much. So, I think there's a real opportunity here for patient capital with an ESG angle to invest in agriculture today because of the multi decade life cycle that some of these sustainability plays I think have.

So, I think those ESG investors are much more focused on renewable fuels and electric vehicles, et cetera. And don't really consider Ag as a core part of that, but I think they will. And I think when they do, you're going to see some pretty considerable multiple expansion come really across the space as the investor community really begins to realize that.

ROBERT BLUM, LYTHAM PARTNERS

All right. Thank you for that. And guys, I know we only have a couple of minutes here. So, with the brief amount of time I've remaining, let's sort of have a general wrap up thought on foods security, right on a global basis. The UN's reporting pricing up 33%, I think in August from a year earlier with vegetable oils and grains, and I think meats are leading the way right now. And most people believe it's likely not to get any better here with weather patterns, fertilizer pricing as we've talked about shipping bottlenecks as Mark mentioned here just a moment ago, we got labor shortages, I know have been discussed out there as well.

So, Brian, let's start with you and Marc and Mark, have you sort of wrap up sort of with a comment or two if you could, as well, but help the audience understand, what are the big risks out there to the impacts that we've seen generally on global food and security here.

BRIAN OSTROFF, ARIANNE PHOSPHATE INC.

So, interestingly, when I speak with investors and kind of paint this picture around phosphates and we have a problem I'm often asked, is there a substitute for phosphate? And my answer is, yeah, of course there is its starvation. Let's – I'm a big believer in kind of putting first things first and look to feed the world, we're going to have to continue to drive advancements in agri tech, whether it's better seeds mapping of the fields, everything, everything, everything. But if you don't have fertilizer to plant those better seeds, you're going to have an issue. And so, you talked about food prices going up look, you just have to walk into the supermarket, and you see what's going on. And here in the west, instead of 10% of our food being or of our annual income going to food, it's 20%, it's unfortunate, but it is, there's a lot of places in the world where it was 75% and it's gone to 125%.

What do you think caused Arab Spring? A love of democracy, no food insecurity, you can't rule over hungry people, and we're seeing it again in Cuba. And so it is a challenge we need to address it. I suspect things aren't going to get better and just piggybacking on something that Ben had said with regards to environmental and cyclical and electric vehicles. And what have you, I read an interesting article a little while ago that the title of it was Diesel Versus Donuts and how Chevron love these guys are all getting into the biofuels, which is great, but it's driving prices, soy oil, vegetable oils, et cetera, et cetera. And you had Krispy Kreme bring out a warning that they're having trouble getting supply of the vegetable oils that they need to make their donuts. So anyway, you look at it, prices are going way up,

ROBERT BLUM, LYTHAM PARTNERS

Marc Hazout, any sort of final comments here?

MARC HAZOUT, SUSGLOBAL ENERGY CORP.

Well, I think we're all of us here are very fortunate that we're involved in industries that over the next decade there's going to be a demand for the technologies and the products that we're producing. There's no doubt the world population is driving food demand and the pandemic as well. And the populations are growing more food, more fertilizer, it's – this is – there's no doubt that we're going to be seeing the marketplace for fertilizers just grow over the next few years. And we have to be ready to be able to fill that supplies. That's what we all have to focus on.

ROBERT BLUM, LYTHAM PARTNERS

Mark Wong, any final comments?

MARK WONG, S&W SEED COMPANY

Yeah, sure. So, I would encourage all of the listeners on this – to this panel to go to the UN website and start to read about the UN Sustainable Development Goals or SDGs. There are 14 of them. And the second one is zero hunger. And there are a lot of hints and ideas from the UN just about how to kind of answer this problem since there's almost 700 million people currently around the world that are hungry. So that'd be just my ending comment to the listeners of your panel, Robert.





ROBERT BLUM, LYTHAM PARTNERS

I appreciate that. Ben, why don't we wrap things up with you here, try to summarize a few of the items we've just discussed and sort of been in your opinion here, what inning of the game are we in as relates to this cycle and let's take a near-term look, what does 2022 look like in your opinion?

BEN KLIEVE, LAKE STREET CAPITAL MARKETS

Yeah, so, I mean, I think the donuts versus diesel comment is an appropriate one to think about the oil we care over the next 12 plus months. I do think we're still – we got a few innings to go here in this commodity cycle. From a number – there's a number of data points that suggest that. So, I do think we're in a position here where through 2022, at least we're looking at relatively elevated commodity prices, very healthy global Ag economy. And especially if some of these supply chain issues that Mark Wong alluded to get can get ironed out. So, I do think we've got some runway left here in the commodity rally. And think of long-term trends are very supportive in general for a lot of the things we've been talking about today, especially from sustainability angles. So yeah, so a couple innings left at least here in the commodity rally, but multi decade innings left here from these, really sustainability minded solutions I've talked about a lot today.

ROBERT BLUM, LYTHAM PARTNERS

Perfect. So, with that guys, I know we're out of time here, gentlemen. Thank you very much for your participation today. It is greatly appreciated. If the audience would like to get in touch with any of the panel participants, please reach out to me again, my email is blum@lythampartners.com. I'd be happy to coordinate. Thank you all for joining us. We hope you enjoy the rest of the conference. Take care.

MARK WONG, S&W SEED COMPANY

Thank you.

BEN KLIEVE, LAKE STREET CAPITAL MARKETS

Bye-bye.

MARC HAZOUT, SUSGLOBAL ENERGY CORP.

Thank you.

FOOD SECURITY PANEL

Presenting company profiles

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Founded in 1980, S&W Seed Company is a global agricultural company headquartered in Longmont, Colorado. S&W's vision is to be the world's preferred proprietary seed company which supplies a range of forage and specialty crop products that supports the growing global demand for animal proteins and healthier consumer diets. S&W is a global leader in proprietary alfalfa, sorghum and pasture seeds, with significant research and development, production and distribution capabilities. S&W's product portfolio also includes hybrid sunflower and wheat and the company is utilizing its research and breeding expertise to develop and produce stevia, the all-natural, zero calorie sweetener for the food and beverage industry. For more information, please visit www.swseedco.com.

ARIANNE PHOSPHATE (TSXV: DAN / PINK: DRRSF)

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SUSGLOBAL ENERGY CORP. (OTCQB: SNRG)

SusGlobal Energy Corp., the developer of SusGro™, a revolutionary pathogen free organic liquid fertilizer is a renewables company focused on acquiring, developing, and monetizing a portfolio of proprietary technologies in the waste to energy and regenerative products applications globally. It is management's objective to grow SusGlobal into a significant sustainable waste to energy and regenerative products provider, as LEADERS IN THE CIRCULAR ECONOMY®.

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