Ag & Vet Weekly

Monday November 30 - Friday December 4, 2020

All the news on ASX-listed agriculture and veterinary companies

*** ASX UP, AVW-44 DOWN: ROOTS UP 26%; ELIXINOL DOWN 9%**

*** DR BOREHAM'S CRUCIBLE: PALLA PHARMA**

*** ABARES: 'NEAR RECORD WINTER GRAIN CROP'**

*** SYNLAIT RAISES $19m IN 3 x OVERSUBSCRIBED PLAN, TOTAL $190.2m**

*** FOOD REVOLUTION PLACEMENT RAISES $4m, $500k SHARE PLAN TO GO**

*** SELECT REVENUE DOWN 17% TO $25m, PROFIT DOWN 53% TO $25m**

*** SYNLAIT REDUCES EMISSIONS 5% PER TONNE MILK SOLID**

*** FONTERRA INCREASES, NARROWS FARMGATE MILK PRICE**

*** UN NARCOTIC DRUGS COMMISSION DOWNGRADES MARIJUANA**

*** UK WANTS MORE PALLA DATA FOR NORWEGIAN CODEINE PLANT**

*** ROOTS: AVITAL TAKES RZTO TO THE BALKANS**

*** APIAM COMPLETES $5m DON CROSBY ACQUISITION**

*** OCEAN GROWN AGM 29% BLOCK 10% PLACEMENT CAPACITY**

*** ALTHEA, AFRICANN $650k SOUTH AFRICA MARIJUANA DEAL**

*** ALTHEA, PEAK DEAL FOR CANADA MARIJUANA DRINKS**

*** CRESO $414k ANIMAL MARIJUANA ORDERS TAKE 2020 TOTAL TO $975k**

*** TERRAGEN RELEASES 32.4m VOLUNTARY ESCROW SHARES**

*** WIDE OPEN REQUESTS 'LUPIN PROTEIN TRIAL RESULTS' TRADING HALT**

*** PERPETUAL TAKES 6.6% OF CLOVER**

*** CHALLENGER BELOW 5% IN CLOVER**

*** AGFOOD TAKES 8.5% OF TASFOODS**

*** REGAL FUNDS REDUCES TO 15.1% OF ELIXINOL**

*** MEMPHASYS CHAIR ALISON COUTTS ON $350k**

*** CLEAN SEAS APPOINTS ROBERT GRATTON CEO, DAVID BROWN CFO**

*** APIAM APPOINTS ERYL BARON CO-SEC**

*** NARELLE WARREN REPLACES MGC JOINT CO-SEC RACHEL KERR**

MARKET REPORT

The Australian stock market was up 0.28 percent on Friday December 4, 2020, with the ASX200 up 18.8 points to 6,634.1 points.

Thirteen of the AVW-44 stocks were up, 20 fell, eight traded unchanged and three were untraded.

Roots was the best, up 0.6 cents or 26.1 percent to 2.9 cents, with 132.5 million shares traded. Cann Group rose 14.8 percent; Avecho and Opyl were up more than six percent; Apiam climbed five percent; Ecofibre improved four percent; A2 Milk, Creso and Ocean Grown were up more than three percent; Nufarm, Synlait and Tasfoods increased more than two percent; with Terragen up 0.5 percent.

Elixinol led the falls, down 2.5 cents or 9.4 percent to 24 cents, with 29.2 million shares traded. Auscann and Regeneus lost more than eight percent; Murray Cod, Nanollose, Select Harvests and THC shed more than five percent; MGC, Next Science and Seafarms fell four percent or more; Althea was down 3.5 percent; AP Hemp and Food Revolution both lost 2.6 percent; Clean Seas and Elders fell more than one percent; with Bubs, Costa, Huon, Tassal and Wide Open down by less than one percent.

DR BOREHAM'S CRUCIBLE: PALLA PHARMA (TASMANIAN POPPY INDUSTRIES)

By TIM BOREHAM

ASX code: PAL

Market cap: $103.3 million; **Share price:** 82 cents; **Shares on issue:** 125,947,977

Chief executive officer: Jarrod Ritchie

Board: Simon Moore (chair), Mr Ritchie, Todd Barlow, Stuart Black, Sue MacLeman

Financials (six months to June 2020): revenue $12.3m (down 55%), loss of $9m (previously $4 million deficit), net tangible assets per share 34 cents (previously 36 cents), cash of $1.64 million, debt of $12.8 million

Identifiable major holders: Washington H Soul Pattinson 19.9%, Thorney Opportunities 18.7%, Wentworth Williamson 8.5%, Sico Holdings ATF Oranje Trust 6.6%, Australian Ethical 6.3%.

While dozens of ASX-listed cannabis stocks vie for supremacy in the overgrown weed patch, Palla Pharma enjoys an elite status as one of only six legal medical opium growers in the world - and only one of three that are fully integrated from opiate extraction to tableting.

But that doesn’t mean Palla has enjoyed drug-lord style margins on its products. On the contrary, the company has struggled to turn a profit since it listed as TPI Enterprises in August 2015.

One reason is that Palla has focused on providing either the raw material (the poppy straw) or narcotic raw material (such as morphine and codeine) to other manufacturers as an active pharmaceutical ingredient.

As a result, it’s missed out on some of the best margins.

But management promises all of this will change with the company entering the British market to sell codeine phosphate/paracetamol tablets.

Britain’s Medicines and Health Products Regulatory Agency (MHRA) in November approved Palla’s marketing application for the tablets, which consist of 30 milligrams codeine phosphate and 500 milligrams of paracetamol (best known to users as Panadeine Forte or strong Panadol).

“All our approvals and interaction with the regulators have gone well and we are on track to start selling codeine to the UK by [early 2021],” Palla founder and chief executive Jarrod Ritchie says.

He says revenue for every kilogram of codeine phosphate sold in tableted form is 2.4 times higher for that sold as an active pharmaceutical ingredient: $1,200 a kilogram versus $500 a kilogram.

Early this year the company won a contract to supply 270 million codeine phosphate tablets to a “major UK customer”.

In late breaking news, the MHRA has asked for more information about the application, but the company assures us the timelines remain intact.

From Apple Isle to Opium Island

Mr Ritchie founded the then Tasmanian Poppy Industries in 2004 to exploit the company’s patented technology and to “disrupt the traditional and outdated processes and dynamics of large players in the industry”.

He said high barriers to entry such as regulatory hurdles and the cost of production normally made it difficult for smaller companies to compete.

TPI’s first crops were in Tasmania, where fields of colorful poppies flourish by public roads.

Known as Opium Island, the Apple Isle accounts for at least half of the world’s legal poppy supply, with Palla rival Johnson & Johnson establishing the rival Tasmanian Alkaloids in the 1980s.

(Tasmanian Alkaloids is now owned by private equity and headed by Dr Ross Murdoch, the former chief executive of Phosphagenics, now Avecho).

Until 2014, Tassie was the only place in Australia where the crops could be legally grown. But following a succession of poor harvests there, the Victorian government opened up its fiefdom for growing.

In 2015, Palla paid $8.15 million for an 8.5 hectare property with a 17,428 square metre (1.7ha) factory in an undisclosed Melbourne location.

In 2017, the company shelled out $25.7 million for a Norwegian tableting facility at Kregero, 200km south-west of Oslo.

The factory, which will supply the British customers, is capable of producing 35 tonnes of active pharmaceutical ingredient and 1.66 billion finished tablets annually.

Palla, by the way, is a Nordic verb meaning “to have the energy to do something”.

Where did the marijuana go?

Also in 2017, TPI said the Federal Office of Drug Control had granted licences allowing it to research the cultivation of marijuana and produce marijuana or resin for research relating to medicinal cannabis and cultivate plants and produce marijuana or resin for medicinal purposes. And that was the last public mention of marijuana by the opiate company.

Palla transferred its opiate manufacturing operations to Melbourne in 2018. Under its “dual hemisphere” strategy the company has contract growers in New South Wales, Victoria and Hungary while Tasmania remains a key growing region.

In September, Palla sold its Tassie manufacturing facility for $2.98 million, but struck a long-term lease with the new owners to store poppy straw before being freighted to Melbourne.

In 2019, the company attempted to acquire a stressed UK customer, but the deal never happened.

But not to worry: Palla ended up with the unnamed entity’s seven UK marketing authorizations anyway.

Palla’s secret formula

Because the sector is so strictly regulated, opium-derived medications essentially are of the same quality no matter who provides them.

The suppliers therefore need to compete on costs and in this respect Palla has an advantage with its patented water-based extraction process.

The method replaces organic solvents, which are highly explosive and therefore require special facilities. Because of this obviated risk of detonation, Palla’s plants are one-fifth cheaper to build.

Mr Ritchie says that as well as requiring less capital, the process is kinder to the environment as it does not produce toxic solvents (unlike the traditional methods).

Finances and performance

Palla expects earnings generated from its UK codeine phosphate tablets to be a “significant contributor ... at a significantly higher gross profit margin.”

Mr Ritchie says other factors come into play too, including increases in product pricing and increasing monthly finished dosage formulation (FDF) revenue to $12 million after the Norwegian capacity expansion.

In Palla’s first (June) half accounts, external auditor KPMG studiously noted the material uncertainties that “may cast doubt on the group’s ability to continue as a going concern.”

At June end, Palla had cash of $1.6 million, with its biggest shareholder Washington H Soul Pattinson extending a $16 million facility to support working capital.

The directors argue that the cash and the $3.7 million undrawn component of the facility will keep the wolves from the door (our words, of course).

After the British medical gatekeeper approved the marketing authorizations in November, Washington Soul temporarily extended this limit to $20 million. The facility reduces to $13 million next April when the Tasmanian property sale proceeds are expected to be banked.

In a “transition period”, Palla’s six months revenue to June 30 slid 55 percent to $12.3 million, with an underlying loss of $9.1 million compared with a $2.3 million deficit previously.

Apart from the aforementioned customer loss, revenues were affected by unfavorable growing weather and the exit of a legacy non-opiate supply agreement.

“This year’s sales and earnings will be heavily skewed to the second (current) half as we transition from a producer of low-margin, non-opiate products to higher margin opiate-based products sold via Palla-owned marketing authorizations,” Mr Ritchie says.

While calendar 2020 revenues are expected to be “modestly lower to flat” on the previous $54.8 million, the effect of the higher margin sales will be felt from the December quarter.

To meet demand, Palla plans to spend about $4 million on expanding its Norway facility. This will give the company the capacity to increase monthly revenues from $4 million to $12 million.

Palla shares have traded between 48 cents (March 30 this year) and $1.31 (July 26 last year). The stock has perked up from 68 cents in late November to around 80 cents now.

Mandatory Covid-19 bit

Palla has been able to continue its normal operations with the usual precautions.

“Pain relief products are deemed essential goods, so we’re not affected by general lockdown decrees,” Mr Ritchie says. “Our supply chains and operations remain relatively unaffected; however, logistics and general cash flow preservation by customers have created some volatility.”

He adds that the company’s diversified production across all of the supply chain allows for more consistent and reliant supply than its competitors.

Having said that, Palla was affected by disruptions relating to shipping costs and slower receivables.

In Italy, orders were delayed because the company could not get hold of material such as paracetamol.

The coronavirus pandemic means Palla is carrying more inventory than usual, but working capital will be freed up as stock levels return to normal over the next six months or so.

America’s state of addiction

Of course, there’s a dark aspect to the opioid trade and it’s America’s startling addiction to the euphoria-inducing substance.

Much of the addiction problem stems from prescription medication, but the powerful synthetic opioid fentanyl illegally sourced from China is a huge issue as well.

According to the US Centres for Disease Control and Prevention, 46,802 Americans died from opioid overdoses in 2018, two-thirds from the synthetic variety.

Opioid drug makers have been subject to a barrage of litigation and the plaintiffs are chalking up huge wins.

In October, the maker of Oxycontin (oxycodone), Purdue Pharma agreed to pay $US8.3 billion of damages and plead guilty to criminal charges relating to payments made to doctors and healthcare companies to encourage prescriptions (paid for by public health programs). The family-owned company entered bankruptcy protection last year.

In a landmark civil case in August last year, an Oklahoma court ordered Johnson & Johnson to pay the state $US572 million over opioid misuse.

Plenty of other cases are in progress and there will be more pain to come.

Dr Boreham's diagnosis:

The US opiate crisis aside, Mr Ritchie notes that opioids remain the most effective and affordable treatment for acute and chronic pain - but are inaccessible to three-quarters of the world's people.

Palla has partnered with agents in Africa, South America and Asia to increase the availability of opioid-based pain relief in hospitals.

“Morphine remains the gold standard for acute pain relief and palliative care globally and is listed on the World Health Organisation's Model List of Essential Medicines,” he says.

“With now over 5.5 billion people with limited or no access to pain relief treatment because of international drug controls, it is becoming imperative that we provide quality and affordable pain relief to those who cannot easily access it.”

His view is backed by Australian Ethical, which owns 6.3 percent of Palla.

Palla has kept a low profile since listing, partly because of the nature of the product and partly because the stock is tightly held. Long-time backer Washington H Soul Pattinson accounts for 19.9 percent, while Thorney Investments has dibs on 18.7 percent.

More recently Sydney value investor Wentworth Williamson joined the register with an 8.3 percent stake.

The company is focused on Britain because it's easily the biggest codeine phosphate market in Europe.

But the company is also eyeing “opportunities” in Spain and France, the second and fourth largest European markets respectively.

If British prices hold up, Palla's ‘farm to pharma' strategy should start reaping financial benefits from next year - and start to get its balance sheet into better shape.

As broking firm CCZ Equities aptly notes: “Palla is a business in transition recently undergoing short term pain.”

If all else fails, Palla does a nice sideline in poppy seeds for the culinary market.

Disclosure: Dr Boreham is not a qualified medical practitioner and does not possess a doctorate of any sort. If pain persists, see your real doctor.

BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS AND SCIENCES

The Australian Bureau of Agricultural and Resource Economics and Sciences (Abares) says winter crop production is forecast to rise 76 percent to 51.5 million tonnes.
The Bureau said the forecast for the 2020-'21 season was the second best on record, after the record 56.7 million tonnes in 2016-'17.
Abares executive director Dr Steve Hatfield-Dodds said favorable conditions, including rainfall during September and October, had boosted cropping regions in New South Wales, Victoria and South Australia.
"Production is expected to be a record high in New South Wales, the second highest on record in Victoria and well above average in South Australia," Dr Hatfield-Dodds said.
Dr Hatfield-Dodds said the forecast was a 7.4 percent upward revision from its September forecast of 47.9 million, itself an eight percent upwards revision on the previous June forecast (AVW: Jun 12, Sep 11, 2020).
"For the major winter crops, wheat production is forecast to increase by 106 percent from last year to 31.2 million tonnes, the second highest on record," Dr Hatfield-Dodds said.
"Barley production is forecast to increase by 33 percent to 12 million tonnes, the second highest on record, and canola production is forecast to rise by 59 percent to 3.7 million tonnes, the fifth highest on record," Dr Hatfield-Dodds. "Chickpeas production is forecast to increase by 162 percent to 737,000 tonnes and oats production is forecast to increase by 89 percent to 1.6 million tonnes."
Dr Hatfield-Dodds said the forecasts for Western Australia and Queensland had been adjusted to reflect "less than favorable conditions in late winter and early spring" but they were expected to record significantly increased production on last year's levels.
Abares said the three-month climate outlook for December to February, indicated that summer rainfall was likely to be above average in most summer cropping regions.
Abares said it forecast the area planted to summer crops in 2020-'21 to rise 211 percent from the drought affected levels of 2019-'20 to about 1.1 million hectares, with production forecast to rise 322 percent to 3.7 million tonnes, reflecting an assumed return to average yields from the historically low 2019-'20 season.
The Bureau said that in the 2019-'20, China took the greatest amount of Australian wheat, 1,421 kilotons of the total 10,115 kilotons worth $3,863 million, up from 84.8 kilotons the previous year but down from 1,024 kilotons in 2017-'18.
Abares said South Korea was the second largest buyer of Australian wheat in 2019-'20 taking 1,127 kilotons, followed by the Philippines at 1,003 kilotons.
The Bureau said China imported an estimated $1,602 million worth of Australian grains, including barley, grain sorghum and wheat, along with oilseeds and pulses in 2019-'20, up from last year's $1,070 million, but down from $2,078 million in 2017-'18.
The ABARES Australian Crop Report – December 2020 is available at:
https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1031061/0.

SYNLAIT MILK

Synlait says it has raised $NZ20 million ($A19.02 million) in an oversubscribed share plan at $NZ5.10 ($A4.83) a share, taking the total to $NZ200 million ($A190.2 million).
Synlait said it received applications from 3,938 shareholders for $NZ59 million under the share plan, which would be scaled back on a proportionate basis.
Earlier this month, the company said its placement had raised $NZ180 million and it hoped to raise a further $NZ20 million through a share plan, with $NZ12.8 million to be allocated to Bright Dairy Holding (AVW: Nov 13, 2020).
Synlait was up 11 cents or 2.2 percent to $5.05.

THE FOOD REVOLUTION GROUP

Food Revolution says it has raised $4 million in a placement and hopes to raise a further $500,000 in a share plan at 3.5 cents a share.
Food Revolution said the share price was a 16 percent discount to the 15-day volume weight average to November 30, 2020.
The company said the funds would be used to increase its Original Juice Co and Juice Lab branded beverage and health products, as well as for general working capital.
Food Revolution said the placement included a $100,000 investment from director Matt Bailey, which required shareholder approval.
The company said Aitken Murray Capital Partners and Taylor Collison acted as joint lead managers to the placement.
Food Revolution said the share plan offered up to $30,000 in new shares to holders at the record date of December 2, opening on December 7 and closing on December 21, 2020.
Food Revolution fell 0.1 cents or 2.6 percent to 3.8 cents with 1.8 million shares traded.

SELECT HARVESTS

Select Harvests says revenue for the 12 months to September 30, 2020 fell 16.8 percent to $248,262,000, with net profit after tax down 52.8 percent to $A25,001,000.
Select Harvests said revenue came primarily from almond exports to India and China.
The company said that diluted earnings per share fell 53.2 percent to 25.9 cents, net tangible assets per share were down 3.9 percent to $3.46 and it had cash and equivalents of $1,451,000 at September 30, 2020 compared to $11,588,000 at September 30, 2019.
Select Harvests fell 32 cents or 5.6 percent to $5.41 with 551,961 shares traded.

SYNLAIT MILK

Synlait says it has reduced on-farm greenhouse gas emissions five percent per tonne of milk solid produced for the year to July 31, 2020, compared to 2019.
Synlait said off-farm emissions per tonne of milk solids produced were down 16.7 percent compared to 2019.
Synlait director of sustainability Hamish Reid said the company was “encouraged by the gains our farmer suppliers and the Synlait team are making, but we still have work to do”.
“We strongly believe that sustainability pays back in multiple ways and that purpose-driven companies will benefit from their commitment towards people and planet,” Mr Reid said.
The report is at: https://www.synlait.com/news/synlaits-2020-sustainability-report/.

FONTERRA CO-OPERATIVE GROUP

Fonterra says it has narrowed its 2020-’21 forecast milk price from $NZ6.30 to $NZ7.30 per kilogram of milk solids (kg/MS) to $NZ6.70 to $NZ7.30 per kg/MS.
Fonterra chief executive officer Miles Hurrell said the revision was due to a strong demand for New Zealand dairy products.
“China is continuing to recover well from Covid-19 and this is reflected in recent global dairy trade auctions with strong demand from Chinese buyers, especially for whole milk powder, which is a key driver of the milk price,” Mr Hurrell said.
“Our forecasts would see the Co-op contribute around $NZ10.5 billion ($A9.98 billion) to the New Zealand economy this year,” Mr Hurrell said.
Fonterra was untraded at $4.11.

UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

The United Nations Commission on Narcotic Drugs has removed cannabis, or marijuana from Schedule IV of the 1961 Single Convention on Narcotic Drugs.

The Commission said that a vote in Vienna on Wednesday removed marijuana from the Schedule “where it was listed alongside deadly, addictive opioids, including heroin”.

In a media statement the Commission said it took “a number of decisions … leading to changes in the way cannabis is internationally regulated, including its reclassification out of the most dangerous category of drugs”.

The UN body said it reviewed a series of World Health Organization recommendations on marijuana and its derivatives and “the 53 member states voted to remove cannabis, where it had been for 59 years, from the strictest control schedules, that even discouraged its use for medical purposes”.

The Commissions said the vote was “historic” with 27 countries in favor, 25 against, and one abstention, and “opened the door to recognizing the medicinal and therapeutic potential of the commonly-used but still largely illegal recreational drug”.

The media release said the decision could drive scientific research into “the plant’s long-heralded medicinal properties and act as catalyst for countries to legalize the drug for medicinal use, and reconsider laws on its recreational use”.

The commission said that the WHO “clarified that cannabidiol (CBD) - a non-intoxicating compound - is not subject to international controls [and it had] taken on a prominent role in wellness therapies in recent years, and sparked a billion-dollar industry”.

The media release said that more than 50 countries had medicinal cannabis programs, while Canada, Uruguay and 15 US states had legalized its recreational use, with Mexico and Luxembourg close to becoming the third and fourth countries to do so.

The Commission said that Ecuador supported all of the recommendations and urged that cannabis production, sale and use, have “a regulatory framework that guarantees good practices, quality, innovation and research development”, while the US voted to remove cannabis from Schedule IV but retaining them in Schedule I, saying it was “consistent with the science demonstrating that while a safe and effective cannabis-derived therapeutic has been developed, cannabis itself continues to pose significant risks to public health and should continue to be controlled under the international drug control conventions”.

The media release said that Chile voted against, arguing that there was “a direct relationship between the use of cannabis and increased chances of suffering from depression, cognitive deficit, anxiety, psychotic symptoms, among others” and Japan believed the non-medical use of the plant “might give rise to negative health and social impacts, especially among youth”.

The Vienna-based UN Commission told Ag & Vet Weekly that Australia voted in favor.

PALLA PHARMA

Palla says the UK Medicines and Healthcare Products Regulatory Agency wants more information to approved its Norwegian codeine manufacturing site.

In May, Palla said it would target the codeine market in the UK and Europe, and hoped to sell Co-Codamol, codeine combined with paracetamol in caplet and tablet form, with first sales expected by January 2021 (AVW: May 29, 2020).

This week, the company said it had submitted the information requested by UK Agency and pending a successful review expected to start manufacturing and selling codeine products under its own marketing authorizations by April 2021, with its Norwegian facility ready to begin manufacturing Co-Codamol for the Norwegian and UK markets.

Palla was untraded at 82 cents.

ROOTS SUSTAINABLE AGRICULTURAL TECHNOLOGIES

Roots says the Belgrade, Serbia-based Avital DOO will distribute its root zone temperature optimization (RZTO) and heat exchange probe technology in the Balkans.
Roots said that under the letter of intent with Avital, it would demonstrate the technology through a trial with an Avital commercial blueberry growing customer.
The company said 420 blueberry plants would be heated or cooled with its technology as needed and compared to a control group, with the trial expected to begin by April 2021.
Roots said it planned to progress to a binding agreement to make Avital its preferred distributor for Serbia and selected Balkan countries.
The company did not disclose any commercial terms of the agreements.
Roots was up 0.6 cents or 26.1 percent to 2.9 cents with 132.5 million shares traded.

APIAM ANIMAL HEALTH

Apiam says it has completed the $5 million acquisition of the Dubbo, New South Wales-based Don Crosby Veterinary Surgeons.
Last month, Apiam said it had bought Don Crosby Veterinary Surgeons for $5 million, including $3.5 million in cash and the balance in shares (AVW: Nov 20, 2020).
This week, the company said it had paid the 70 percent in cash and issued 2,207,506 shares at the 20-day volume weighted average price of 67.95 cents a share.
Apiam said the shares were subject to escrow for 12 months and 24 months.
Apiam was up 3.5 cents or five percent to 73 cents.

OCEAN GROWN ABALONE

Ocean Grown Abalone says 29.27 percent of votes at its annual general meeting blocked the special resolution to approve the additional 10 percent placement capacity.
Ocean Grown said there were 23,636,334 votes (29.27%) opposed to the placement capacity, with 57,121,251 votes (70.73%) in favor.
The company said 12.58 percent opposed options for director Ignazio Ricciardi, 8.92 percent opposed the employee incentive plan and other resolutions passed more easily.
According to Ocean Grown's most recent annual report, the company had 200,742,780 shares on issue, meaning the votes against the placement capacity amounted to 11.77 percent, sufficient to call extraordinary general meetings.
Ocean Grown was up 0.3 cents or 3.1 percent to 9.9 cents.

ALTHEA GROUP

Althea says it has an agreement worth about $650,000 with Africann Pty Ltd and MG Biotech Ventures Pty Ltd to import and distribute medical marijuana in South Africa.
Althea said after attaining all required licences and permits, Africann would import a range of Althea branded marijuana-based products over two and a half years.
The company did not clarify MG Biotech Ventures role in the agreement.
Althea said it expected the first shipment to be delivered by July 2021.
The company said the South African medical marijuana industry would be worth about $US667 million ($A894.6 million) by 2023.
Althea chief executive officer Josh Fegan said that "the agreement with Africann is an exciting development for the company and reinforces our position as one of the world's leading medicinal cannabis brands".
Althea fell two cents or 3.5 percent to 55 cents with 1.9 million shares traded.

ALTHEA GROUP HOLDINGS

Althea says subsidiary Peak Processing Solutions has a three-year agreement with Tinley Beverage Company for non-alcoholic marijuana drinks in Canada.
Althea said it would exclusively manufacture and distribute Tinley's Coconut Cask, Cinnamon Cask and Almond Cask products, including an initial order for more than $CA100,000 ($A104,758), with a planned delivery by April 2021.
The company said exclusivity in Canada would last until Tinley's had met established minimum quantities.

CRESO PHARMA

Creso says it has three purchase orders for its Anibidiol animal health marijuana products worth $414,000.
Creso did not disclose the source of the orders but said the values were denominated in Swiss Francs.
The company said the orders took its total for 2020 for animal marijuana products to about $975,000 "outlining the strong demand for the company's industry leading products".
Creso said that revenue for the first half of 2020 was $529,687.
Creso was up 0.3 cents or 3.1 percent to 10 cents with 199.5 million shares traded.

TERRAGEN HOLDINGS

Terragen says it will release 32,376,248 shares from voluntary escrow on December 10, 2020.
According to Terragen most recent Appendix 2A, the company has 180,779,046 shares on issue.
Terragen was up 0.5 cents or 1.5 percent to 34 cents.

WIDE OPEN AGRICULTURE

Wide Open has requested a trading halt pending an announcement regarding "results of the food-grade, pilot-scale production of modified lupin protein".
In August, Wide Open said it would supply 200kg of lupin to the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for its plant-based protein project (AVW: Aug 14, 2020).
Trading will resume on December 8, 2020 or on an earlier announcement.
Wide Open fell one cent or 0.9 percent to $1.055

CLOVER CORPORATION

Perpetual says it has become a substantial shareholder in Clover with 11,022,174 shares or 6.63 percent of the company.
The Sydney-based Perpetual said that between August 12 and December 1, 2020 it bought and sold shares at prices ranging from $1.74 to $2.26, with the single largest purchase 1,630,089 shares at $1.75 a share on December 1.
Clover was unchanged at $1.82.

CLOVER CORPORATION

The Sydney-based Challenger says it has ceased it substantial shareholding in Clover.
In March, Challenger said it become a substantial holder with 8,452,867 shares or 5.08 percent of the company (AVW: Mar 6, 2020).
Challenger said that between March 4 and December 1, 2020 it bought and sold shares, with the single largest sale of 2,553,982 shares for $4,469,469 or $1.75 a share.

TASFOODS

Agfood Opportunities Fund says it has become a substantial shareholder in Tasfoods with 30,000,000 shares or 8.52 percent of the company.
Last week, Tasfoods said it would raise $3 million through a placement to Agfood at 10 cents a share (AVW: Nov 27, 2020).
Tasfoods was up 0.25 cents or 2.2 percent to 11.75 cents.

ELIXINOL GLOBAL

Regal Funds Management says it has reduced its substantial shareholding in Elixinol from 38,936,269 shares (16.15%) to 36,426,732 shares (15.11%).
The Sydney-based Regal Funds said that between November 23 and 26, 2020 it sold 2,509,537 shares for $472,422 or 18.8 cents a share.
Elixinol fell 2.5 cents or 9.4 percent to 24 cents or 29.2 million shares traded.

MEMPHASYS

Memphasys says it has renewed executive chairman Alison Coutts' contract effective from December 1, 2020 to a base salary of $350,000 including superannuation.
Memphasys said Ms Coutts would also receive a short-term cash incentive of up to 27.5 percent of her base salary and a long-term incentive based on key performance indicators, including commercial sales of its Felix sperm separation device, the progress of regulatory submissions and the development of other reproductive medicine technologies.
Memphasys was unchanged at 13 cents.

CLEAN SEAS SEAFOOD

Clean Seas says it has Robert Gratton and David Brown as chief executive officer and chief financial officer respectively.
Clean Seas said Mr Gratton was the company's previous chief financial officer and had been its acting chief executive officer since August 2020, following David Head's retirement announcement (AVW: Aug 28, 2020).
The company said Mr Gratton was previously an investment banker at JP Morgan in London and New York, and had worked for Australian cosmetics manufacturer Jurlique and Swedish design and stationary business Kikki.K.
Clean Seas said Mr Gratton had led the company through its pivot into new markets and strategic relationships as it worked through the impact of the Covid-19 pandemic.
The company said Mr Brown joined Clean Seas in January 2018 and had been its acting chief financial officer since 2020, previously working as its financial controller and joint company secretary, and had worked for KPMG and Grant Thornton.
The company said Mr Gratton would start on a $400,000 a year salary.
Clean Seas fell 1.5 cents or 1.8 percent to 83 cents.

APIAM ANIMAL HEALTH

Apiam says it has appointed Eryl Baron as company secretary, replacing Todd Richards.
Apiam said that Mr Richards had resigned from corporate secretarial and share registry services provider Boardroom Pty Ltd and Ms Baron was a Boardroom employee with "an extensive background in corporate secretarial and corporate governance".

MGC PHARMACEUTICALS

MGC says it has appointed Narelle Warren as joint company secretary, replacing Rachel Kerr, who is taking maternity leave, effective from November 30, 2020.
MGC said Ms Warren had more than 20 years' corporate advisory, financial management and company secretarial experience and was currently Invex Therapeutics company secretary.
The company said Ms Warren holds a Bachelor of Laws and a Bachelor of Commerce from Perth's Murdoch University.
MGC fell 0.1 cents or four percent to 2.4 cents with 37.9 million shares traded.