

Arcadia Biosciences Inc

08:54 07 Nov 2019

Arcadia Biosciences CEO says firm laying foundation for rapid revenue growth as it posts 3Q results

Arcadia Biosciences Inc (NASDAQ:RKDA) CEO told shareholders on Wednesday that the company is making strategic headway in its mission to enhance the quality and nutritional content of crops.

In a statement accompanying the Davis, California-based company's third-quarter results, CEO Matthew Plavan told investors that Arcadia achieved important progress during the quarter in both product commercialization and continuing research and development in each of its three strategic crop categories - hemp, wheat and soy.

"We continue to lay the foundations for rapid revenue growth, across multiple product lines in 2020 and beyond, with notable acceleration of our hemp genetic innovations to enhance the enterprise value of our growing germplasm estate," Plavan told investors.

READ: Arcadia Biosciences wins wheat order, reports significant expansion in GoodWheat harvest acres

The results come amidst signs of progress towards cannabis legalization in the US. Last week the US Department of Agriculture issued a new ruling clarifying the content of the 2018 Farm Bill, a key step in legal hemp cultivation in the country.

The new ruling outlined the requirement for states to regulate procedures testing hemp crops for THC, the psychoactive compound in the crop. Any hemp crop that exceeds 0.3% THC must be disposed of, according to the latest regulations.

The move increases the importance of Arcadia's hemp research currently underway in Hawaii and California, Plavan said in a statement.

"We are bringing modern breeding science and genomics technology to develop high-quality non-GM hemp varieties with improved uniformity, stability, resiliency and yield, enabling farmers to maximize the value and profitability of this newly-legal crop."

READ: Arcadia Biosciences is here to grow a healthier world

Arcadia is projecting its revenue figures to exceed \$10 million in 2020 and \$30 million in 2021. Based upon this revenue growth, the company expects to generate net cash from operating activity by mid to late 2021, with sustained profitability thereafter, it laid out in a statement.

Plavan added: "As an agricultural technology company accustomed to working within USDA and the US Food and Drug Administration (FDA) regulated sectors, we welcome these rules, which enable us to move forward with our plans for both cannabidiol (CBD) production and hemp germplasm improvement."

Price: 2.7

Market Cap: \$28.89 m

1 Year Share Price Graph



Share Information

Code: RKDA

Listing: NASDAQ

52 week	High	Low
	6.63	2.35

Sector: Agribusiness

Website: arcadiabio.com

Company Synopsis:

Arcadia Biosciences is a consumer-driven agricultural technology company that develops and commercializes high-value food ingredients, nutritional oils and products that help meet consumer demand for a healthier diet. Our GoodWheat™ branded ingredients deliver health benefits to consumers and enable consumer packaged goods companies to differentiate their brands in the marketplace.

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Focus on growth

During the third quarter ended September 30, the company posted revenue of \$392,000, up from the \$370,000 figure it posted over the same period a year prior.

Net loss for the period was \$14.2 million, or \$2.04 per share, which the company attributed to stock pressure.

The CEO told shareholders that the company is "working hard every day to bring consumers new and improved healthy food options, while maintaining a single-minded focus: profitable growth."

Shares of Arcadia closed Wednesday at \$5.77 on the NASDAQ.

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