

NEWS

CADIZ

CADIZ, INC. | MAY 2020

HEMP:
Hemp planting
continues

WATER:
Cadiz Receives
Reaffirmation from
US BLM





Dear Shareholders:

I hope this quarter's edition of CDZI magazine arrives to find you continuing to stay safe and productive while the Country looks to prepare the process of re-opening.

Despite the pandemic's state-wide shuttering of many businesses in California, the food, agriculture, and water sectors were deemed "essential" by the State and were exempted from stay-at-home orders affecting so many businesses across the economy. While our Los Angeles workforce is working from home, our Cadiz Ranch operations are fully staffed and maintaining normal, though "socially-distant" operations. Our spring hemp planting on 240 acres, our first commercial hemp crop with JV SoCal Hemp Co., continues and will be fully planted in mid-May. We also are maintaining all necessary monitoring, scientific and technical work at the Ranch for the ongoing development of our programs and assets.

Our hemp operations and the Water Project were aided by our recent investments in our water infrastructure, including an expansion of our wellfield capacity, over the past 6 months. We drilled and completed three new wells that can produce over 12,000 acre-feet per year to serve our on-farm agricultural requirements and support our Water Project well-field. The demonstrated capacity of the new wells indicates that our ultimate capital investment in the infrastructure needed to initiate Water Project deliveries will be lower than expected as a result.

The study of springs in the watershed surrounding Cadiz launched by the Three Valleys Municipal Water District earlier this year as part of its assessment of purchasing water from the Project is also proceeding. This study will complement the Project's robust environmental record and support the various contractual discussions we continue to progress.

We are also continuing to host the local community in research projects on site. Last month we welcomed Victor Valley Community College, a high-desert campus, as a partner in the study of hemp cultivation. Through this arrangement, students will continue study of our findings to improve public awareness of the benefits of hemp cultivation. In addition, our desert tortoise rearing program being implemented at Cadiz by the San Diego Zoo also welcomed its first babies born on site this spring.

Last month, we also completed several important transactions that improved our balance sheet. The conversion of debt to equity, the extension of sr. debt maturity, and completion of an ATM placement have substantially improved the company's options on a go forward basis.

Meanwhile, demand for reliable water supply, water storage, infrastructure and sustainable agriculture is strong and growing. The COVID-19 pandemic has shined a bright light on water supply inequalities, stressors on our water infrastructure, and has left many water utilities facing budget shortfalls. Earlier this month, the largest wholesaler of water in Southern California, the Metropolitan Water District of Southern California, adopted rate increases for the next two years. The pandemic has also driven people to evaluate products that can help with the anxiety of the situation and the cannabis industry is experiencing improved demand.

In summary, over this quarter, we successfully reset our balance sheet, improved our existing Ranch infrastructure, progressed water project technical milestones and are on track to complete our first commercial hemp crop. We look forward to the months ahead.

Please continue to stay safe with your loved ones. Even though I have reduced my travel schedule during this time, I will continue to make myself available for phone calls and video conferences. Please contact us to request a time.

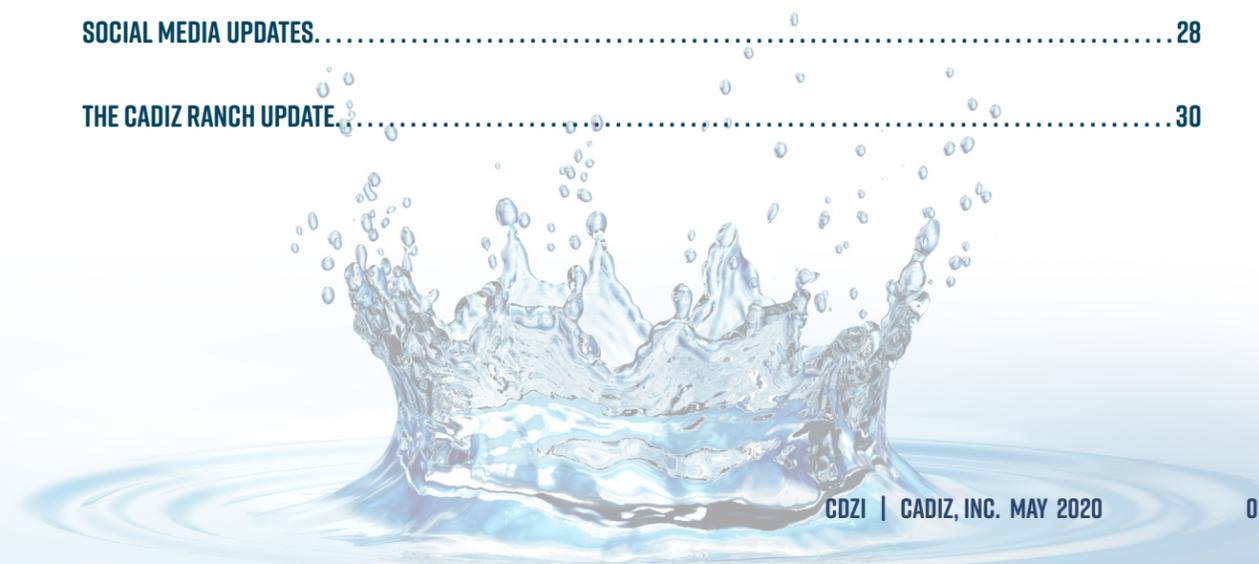
Sincerely,

Scott Slater



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CADIZ INC

FIRST COMMERCIAL HEMP CROP SET FOR MARCH PLANTING AT ITS MOJAVE DESERT FARM

ANNOUNCEMENT | FEBRUARY 3, 2020

Los Angeles – Cadiz Inc. (NASDAQ: CDZI) (“Cadiz”, the “Company”) announced today that its joint venture (“JV”) subsidiary with Glass House Group to farm, harvest, process and market hemp and hemp-derived products will plant its first commercial hemp crop in March 2020.

Land preparations for the spring commercial planting are nearly complete and So Cal Hemp JV will begin cultivation of organic hemp in 2020 on up to 1,280 acres at the Cadiz Ranch. New labor force housing, new irrigation wells and piping have been installed over the last several months to support commercial production. Soil enhancement via organic green compost fertilizer application have prepped the soils to support natural, pesticide-free hemp growth.

“Progressing into a viable commercial organic hemp operation provides tremendous growth opportunities for our company, and also aligns with our core mission to deliver organic, sustainable products to help American corporations reduce their carbon footprint,” said Scott Slater CEO & President of Cadiz Inc. “We believe a sun-grown, organic, low water using hemp product from Cadiz can service rising demand across all industries for products that support a more sustainable climate and environment, and offer tremendous benefits for humans, plants and animals.”

The commercial planting will follow the recent completion of two successful trial crops, the first of which was planted during the height of the summer in 2019 and the second during the winter. The completed trials confirmed the appropriate planting cycle, weather conditions and varieties for successful organic hemp growth in the unique Mojave Desert environment at Cadiz and further demonstrated hemp’s commercial viability for the Company’s agricultural operations.

“The Cadiz Ranch offers fertile ground for growing unique, organic, California hemp suitable for a variety of hemp-derived products, including cannabinoid products and fiber, plastic and building material substitutes increasingly sought by the global consumer,” said Graham Farrar, President of Glass House Group. “We believe our hemp-derived product will be attractive to American businesses competing for market share among sustainability-conscious households and buyers seeking natural health and beauty products as well as alternatives to carbon intensive materials.”

Since the legalization of hemp in the 2018 U.S. Farm Bill, hemp industries in California and across the United States have sought regulatory support and clarity for successful industry growth. Our JV operation continues to work with law enforcement and abide by all local, state and federal laws and regulations to ensure success.



CADIZ RECEIVES REAFFIRMATION FROM US BLM THAT THE CADIZ WATER PROJECT FURTHERS A RAILROAD PURPOSE

PRESS RELEASE | FEBRUARY 10, 2020



BLM RE-EXAMINATION IS RESPONSIVE TO JUNE 2019 COURT REMAND & EXPLAINS AND AFFIRMS EARLIER 2017 CONCLUSION

Los Angeles – Cadiz Inc. (NASDAQ: CDZI) (“Cadiz”, the “Company”) reported that on February 7, 2020, it received from the U.S. Bureau of Land Management (“BLM”) reaffirmation that the Cadiz Water Project’s proposed use of the Arizona & California Railroad’s (“ARZC”) right-of-way for its conveyance pipeline and related railroad improvements furthered a railroad purpose and is within the scope of the right-of-way, consistent with its conclusion in October 2017. The BLM confirmation responds to the direction of a June 2019 Los Angeles Central District Federal Court order requiring a supplementary explanation from BLM before the Court would validate BLM’s October 2017 evaluation. The 2020 analysis references the extensive record and sets forth the factual basis for its conclusions in detail while reaffirming the agency’s 2017 finding that the proposed infrastructure will further railroad purposes and therefore can be co-located and operated within the railroad right-of-way without additional BLM permitting.

The BLM California office stated in its evaluation: “The BLM affirms that the proposed Cadiz water conveyance pipeline project furthers a railroad purpose and is within ARZC’s rights to authorize under the 1875 Act. No further approval is required by the BLM for components of the project that are within the railroad right-of-way easement.”

“We are appreciative that BLM undertook the effort to clearly and unequivocally respond to the Court’s direction and present in careful detail the basis for its decision as directed by the Court on the way to reaffirming its 2017 decision,” said Scott Slater, Cadiz Inc. CEO & President.

The Cadiz Water Project was exhaustively evaluated under the California Environmental Quality Act (“CEQA”) and independently reviewed and approved by the County of San Bernardino under local ordinances in 2012. Both actions were judicially validated in California’s Courts in 2016. Subsequently, an Addendum to the Project’s CEQA Environmental Impact Report was adopted by the Santa Margarita Water District in June of 2019 finding that there was no credible new information that the Project threatened harm to the environment.

For the avoidance of doubt, public agency-sponsored independent scientific investigations of the environmental and cultural resources in the surrounding watershed continue. The Company anticipates these independent evaluations may add to the scientific record and be offered in connection with California State Lands Commission review of potential transfers using the Colorado River Aqueduct, as required by Water Code §1815. There is no application presently on file with the State Lands Commission and the Company does not anticipate filing until later this year.

A copy of the complete BLM evaluation is available on our website: [click here!](#)

CADIZ INC. COMPLETES AGREEMENTS TO EXCHANGE OUTSTANDING CONVERTIBLE NOTES DUE MARCH 2020 FOR PREFERRED STOCK AND EXTEND MATURITY DATE OF SENIOR SECURED DEBT TO MAY 2022

PRESS RELEASE | MARCH 9, 2020

Los Angeles – Cadiz Inc. (NASDAQ: CDZI) (“Cadiz”, the “Company”), a California business dedicated to sustainable water and agricultural projects, announced that it has entered into agreements with the holders of the Company’s outstanding Convertible Notes due March 2020 (“Convertible Notes”) to exchange approximately \$27 million of outstanding principal amount of the Convertible Notes into a new series of convertible preferred stock that is convertible into common stock no later than March 2025 and has no dividend or required redemption. All remaining Convertible Notes were converted into common stock prior to their March 5, 2020 maturity date in accordance with their terms and the resulting common stock has been issued and is already outstanding. Concurrent with the exchange agreements, the Company also entered into an option agreement with its senior lender, Apollo Special Situations Fund, L.P., that provides the Company the right to extend the maturity date of its senior mortgage debt (“Senior Debt”) at the Company’s option from the current maturity date of May 2021 to May 2022. In addition, the Company has completed its previously disclosed At the Market Offering, which raised approx. \$25 million for its development program and working capital.

As of result of these agreements and following these transactions, the Company has eliminated all convertible debt, which was approximately \$74 million at the end of Q3 2019, reduced its overall debt burden by more than one-half, improved its working capital position and obtained the ability to address its Senior Debt over the next two years.

“These agreements and transactions enable a significant improvement to our balance sheet and will allow us to remain focused on executing on important milestones for our water and agricultural projects,” said Scott Slater, Cadiz CEO and President. “We thank our shareholders and lenders for their support of these efforts.”

Armory Securities served as financial advisor to the Company.

The information in this press release is qualified in its entirety by reference to the Current Report on Form 8-K filed with the Securities and Exchange Commission on March 9, 2020.

COMPANY REDUCES OVERALL DEBT BURDEN BY OVER ONE-HALF
COMPANY ALSO COMPLETES ATM OFFERING

WATER INFRASTRUCTURE DEVELOPMENT AND HEMP PLANTING CONTINUES AT CADIZ

MARCH 26, 2020

First and foremost, our thoughts are with our fellow Californians and others across the world coping with the COVID-19 pandemic.

We continue to monitor data and regulatory actions regarding COVID-19. We want to assure you that Cadiz is committed to ensuring the health and safety of our surrounding community and our employees.

California's Governor issued an Executive Order on March 20th requiring non-essential businesses to close. However, the State deemed water supply as well as the food and agriculture industry, which includes hemp cultivation and the retail distribution of cannabinoids, as essential services and thereby exempt. Consequently, for the time being, our operations are continuing in accordance with guidelines from local and state authorities and the Centers for Disease Control.

During this time, our headquarters in Downtown Los Angeles is closed, but our corporate staff has shifted to telework for the foreseeable future. Our Cadiz Ranch workforce is observing social distancing requirements per the Governor's order. The remoteness of our ranch operations provides some insulation against the transmission of COVID-19, which has been more aggressive in denser population centers.

Last fall we began implementing a plan to further develop our water supply infrastructure. Over the last several months we drilled three new large production wells that substantially exceeded expectation and are now – by themselves – sufficient to satisfy more than 20% of the total water project delivery requirements in an average year. This has a positive impact in proof of concept as well as the unexpected high productivity of the alluvial wells. Higher producing wells in more locations reduces capital requirements and increases operational flexibility.



We are pleased to report that planting of our first commercial crop began earlier this month and is on schedule to be completed on 220 acres by the end of April. We have already witnessed attractive growth on the initial starts and look forward to maturity through the summer. Certain strains will remain in the ground through the fall.

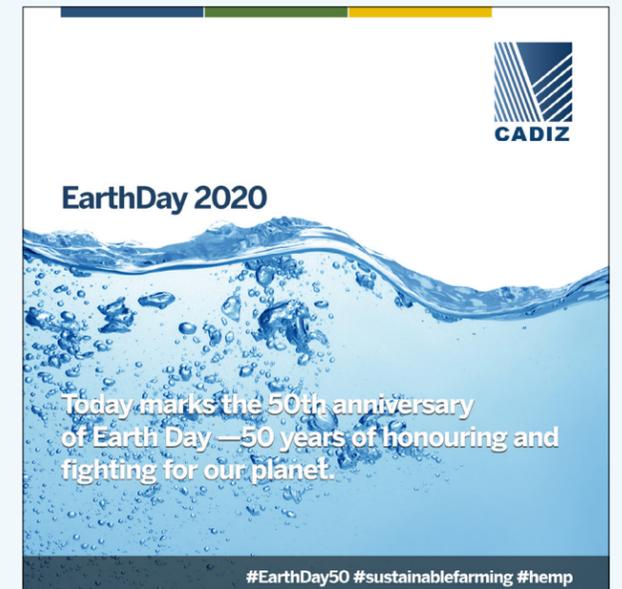
Hemp for CBD and fiber continues to present tremendous opportunity and we intend to harvest and sell what we grow this year primarily into the supply chain for CBD. With cannabis deemed an essential sector in California and other state COVID-19 directives, we will continue to strive to offer a sun-grown, organic California-grown hemp product that can meet this anticipated demand.

We wish you and your family the very best during these exceptional circumstances and will continue to provide updates on our progress.



ON EARTH DAY AND EVERY DAY, CADIZ IS DEDICATED TO SUSTAINABILITY

BY COURTNEY DEGENER | MARCH 22, 2020



Today, we celebrated Earth Day 2020, the 50th Anniversary of the special day set aside to appreciate and consider the impact we have on the planet in our daily lives. It also presents an opportunity for us at Cadiz to take a moment and express gratitude for the unique water and land assets we are charged with protecting and managing.

This particular Earth Day, which is marked by the COVID-19 pandemic, we are especially grateful for our ranch work force – the men and women who have continued to plant and sustainably manage the crops, water, land and natural assets at Cadiz without missing a beat. Today alone we planted 50,000 new hemp plants and cared for those already in the ground. We also continue to host thousands of acres of lemons and seasonal plants and vegetables.

By the end of April, we will have 250 acres – 800,000 hemp plants – in the ground as we continue to march towards our goal of delivering our first commercial hemp crop in 2020. We believe we will have a sun-grown, fully organic hemp product that can deliver 'in-demand' cannabinoids, but also deliver on the promise of creating a brighter future for our planet by supporting alternatives to resource intensive products like plastic, concrete, cotton, paper, and fuel.

Today – Earth Day – also reminds us that we have no water to waste. The Earth's surface is more than 70% water, but less than 1% of that is both fresh and accessible. At Cadiz, for over 30 years, we have sustainably relied on fresh groundwater to irrigate our lands, but each year more than 10 billion gallons of fresh groundwater is still draining to saline lakes and then being lost to evaporation. Thus far in 2020, three billion gallons of fresh groundwater have already been lost. For these reasons among others, we are committed to continuing to implement projects that stop this loss and manage this important resource for all communities in need of sustainable fresh water supplies.

With patience, precision and dedication to sustainability, we can manage the earth's precious resources for all.

HAPPY EARTH DAY 2020!

HEMP, LAND, WATER AND CANNABIS

TRANSCRIPT INTRO : APRIL 12, 2020

Rena Sherbill: Hello again everybody. Today, I am very happy to be joined by two guests, Graham Farrar and Scott Slater. Graham is the CEO at Glass House Farms; and Scott is the President and CEO at Cadiz (NASDAQ:CDZI), which is a publicly traded company on the NASDAQ, that is the largest agricultural operation in San Bernardino, California, which is the largest county in the U.S., and it has been sustainably farming mostly citrus and lemons there since the 80s.

So Cadiz and Glass House recently announced a joint venture where Glass House, which is one of the largest privately held cannabis and hemp companies in the world, to partner up with Cadiz to organically cultivate hemp. They're working on up to close to 10,000 acres, so really interesting to hear what they have to say about that partnership, how it came to be, and I would say, as I mentioned last week, we're at the outset talking about the three kind of actionable takeaways of the interview.

And I would say, this week, the main takeaway points I would say, first of all, you know, in the cannabis markets in general, we're seeing a lot of ebb and flow in terms of revenues going up and then coming back down, wondering if it's stockpiling, widespread job loss, how much will that affect the industry, I think we have seen some ebb and flow. Graham talks about how that's, you know, a sign that the markets are just stabilizing and we will continue to see some of that, but I think cannabis has proven itself to be an essential item, recession proof item.

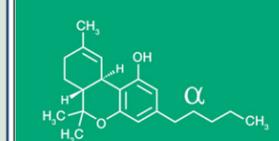
You know Massachusetts, we mentioned, is only allowing medical cannabis for the time being. We saw Ontario this week take away the ability to sell during this lockdown period. So some fits and starts, but mostly a lot of good news in terms of cannabis being considered a worthy and essential plan that can help people. So I would say bullish on cannabis sector, but obviously you have to do your due diligence. [CLICK HERE TO READ FULL TRANSCRIPT](#)



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Cannabis Investing

The Cannabis Investing Podcast
Land, Water, Hemp And Cannabis

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Summary

Nasdaq listed Cadiz took advantage of the 2018 Farm Bill and is now growing hemp thanks to its recent JV with Glass House, one of the largest privately held, vertically-integrated, eco-friendly cannabis and hemp companies in the world.

Scott Slater, CEO and President at Cadiz and Graham Farrar, CEO at Glass House Farms join the show to discuss their unique and complementary partnership.

We also cover why not all CBD is hype, leading a company during COVID, the business of selling crops and why Cadiz is confident about its cash position and bullish on its prospects.

[CLICK HERE TO READ FULL TRANSCRIPT](#)





Study: American Southwest faces a 'megadrought,' the region's worst in centuries

The American Southwest is in the midst of a climate-change-fueled megadrought dryer than anything the region has seen in the last five centuries, according to a new study. Published April 17 in the journal Science, the study found that 2000 to 2018 was the driest 19-year span in the southwestern United States and northwestern Mexico since the late 1500s and the second-driest period since the year 800. [To read more, click here.](https://lasvegassun.com/news/2020/apr/28/study-american-southwest-faces-megadrought-worst/)

<https://lasvegassun.com/news/2020/apr/28/study-american-southwest-faces-megadrought-worst/>



Pandemic sheds light on crucial need for access to clean water services

The coronavirus pandemic has shed light on many of the structural challenges facing this country, from shortages in health and human services to vital infrastructure needs that have been neglected far too long.

[To read more, click here.](https://thehill.com/blogs/congress-blog/energy-environment/495183-pandemic-sheds-light-on-crucial-need-for-access-to)

<https://thehill.com/blogs/congress-blog/energy-environment/495183-pandemic-sheds-light-on-crucial-need-for-access-to>



HEADLINE NEWS



Value of Water
CAMPAIGN

over \$200 billion
in economic activity is generated by closing the national water infrastructure gap

The Economic Benefits of Investing in Water Infrastructure, 2017



Value of Water
CAMPAIGN

closing the national water infrastructure gap creates
1.3 million American jobs
more than the employed workforce of 16 states

The Economic Benefits of Investing in Water Infrastructure, 2017

THE SACRAMENTO BEE

There was no March Miracle: California's dry winter continues, Sierra snow survey shows

So much for the March Miracle. Despite a few March storms, the Sierra Nevada snowpack remains well below average, California officials reported Wednesday, suggesting that water supplies will be tight this summer and fall. [To read more, click here.](https://www.sacbee.com/article241695866.html)

<https://www.sacbee.com/article241695866.html>

Value of Water Poll

For the fifth year in a row, the Value of Water Campaign polled 1,000 American voters to ask their opinions on water and investing in critical water systems.

2020 Value of Water Index - Key Poll Findings: [CLICK HERE](#)

2020 Value of Water Index - Fact Sheet: [CLICK HERE](#)

Hemp Industry Daily

Hemp group pitches plant as an economic engine for Europe in post-pandemic era

A key industry group for farmers and processors in Europe wants EU policymakers to see industrial hemp as a potential catalyst for regenerating rural areas following the coronavirus economic downturn. In a manifesto released on Tuesday, the European Industrial Hemp Association said the crop could deliver long-term sustainable growth and create jobs across EU rural economies as Europe and the rest of the world tries to navigate the long road to economic recovery.

[To read more, click here.](#)

<https://hempindustrydaily.com/hemp-group-pitches-plant-as-an-economic-engine-for-post-pandemic-era/>

Hemp Industry Daily

Military interested in hemp fiber and polymers; Wisconsin university researching possibilities

The U.S. military and researchers at a Wisconsin university are discussing making hemp fiber to replace imported polyester and polymer in Army vehicles – a potential partnership that would return the state to the days it was the epicenter of fiber production during both World Wars. [To read more, click here.](#)

<https://hempindustrydaily.com/military-interested-in-hemp-fiber-and-polymers-wisconsin-university-researching-possibilities/>





HEADLINE NEWS



Hemp Industry Daily

Marijuana giants have a new plan to jump-start US hemp's supply chain

Three cannabis veterans who helped grow a Canadian firm into the biggest company in the industry are setting their sights – and investing up to \$175 million – on the U.S. hemp supply chain beyond just flower products.

[To read more, click here.](#)

<https://hempindustrydaily.com/marijuana-giants-have-a-new-plan-to-jump-start-us-hemp-supply-chain/>



Should CBD become a part of your wellness routine in these troubling times?

Elana Frankel had retreated to bed rest for a year, having been shocked out of modern life with a traumatic brain injury. “After I finished a round of anti-seizure medications, there weren’t any other pharmaceuticals available to help me with my brain injury,” Frankel said. “All of the neurosurgeons [who] I consulted said I needed bed rest until the inflammation goes down.” [To read more, click here.](#)

<https://www.cnn.com/2020/04/20/health/cbd-cannabis-medical-marijuana-coronavirus-wellness/index.html>

DID YOU KNOW?



Just a few things you didn't know about Hemp & Water Usage.



Hemp needs 1/20th the amount of water as regular cotton to grow and process.



Read more at cadizinc.com/hemp



It takes 19 gallons of water to grow an apple.



Read more at cadizinc.com/hemp



The average American uses 176 gallons of Water per day.



Read more at cadizinc.com/hemp



Everything made from plastic can also be made from hemp. And plastic made from hemp is biodegradable.



Read more at cadizinc.com/hemp



Hemp can be made into two types of biofuel: biodiesel and ethanol.



Read more at cadizinc.com/hemp



It takes 1,800 Gallons of Water to produce enough cotton for one pair of jeans.



Read more at cadizinc.com/hemp



One acre of hemp can produce as much paper as 10 acres of trees.



Read more at cadizinc.com/hemp



Industrial hemp is twice as strong as steel, six times as flexible, and 100% compostable.

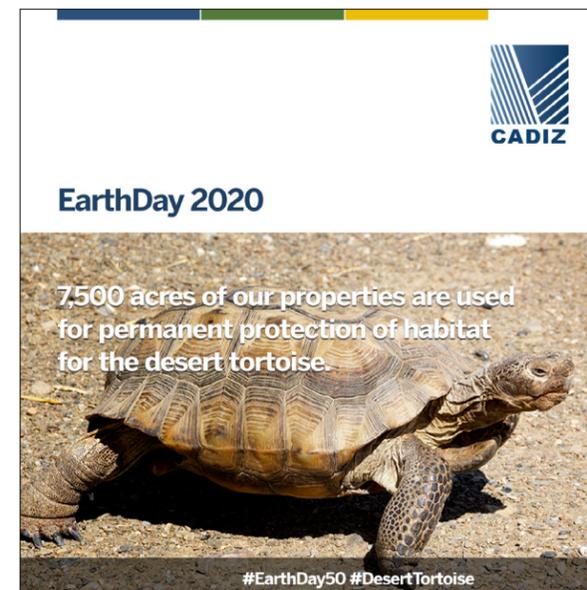
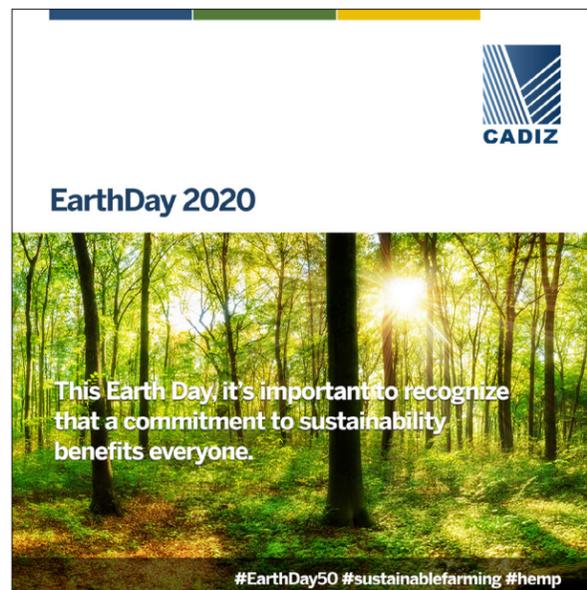
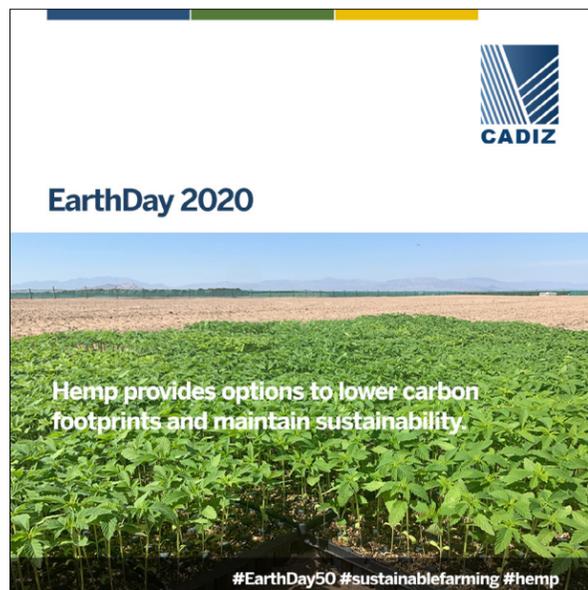
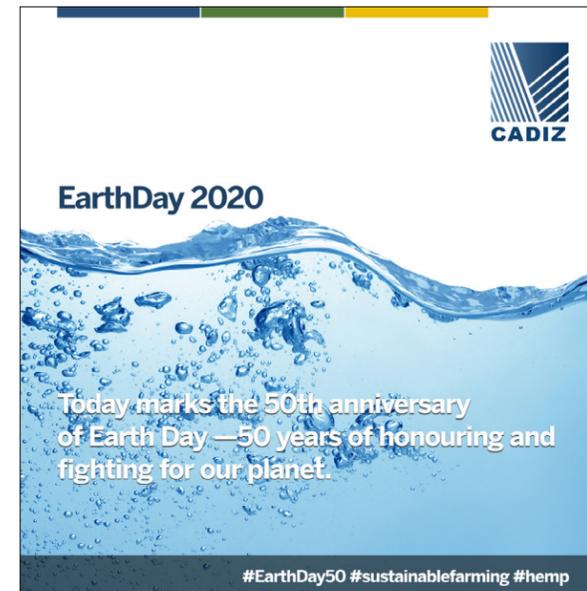


Read more at cadizinc.com/hemp

SOCIAL MEDIA 2020 - EARTH DAY



What we shared on instagram, facebook and twitter.



THE CADIZ RANCH

