THE YANDI PAPERS

Australian Outdoor Medicinal Cannabis

The Missing Agricultural Layer

Strategic competitor analysis and illustrative economic model for a Regional Medicinal Cultivation Precinct

Prepared for	Yandi AG
Prepared from	YandiOS Research competitor analysis
Reference date	July 2026
Purpose	Strategic policy, investment and regional economic modelling

This paper expands the July 2026 Australian outdoor medicinal cannabis competitor analysis into a Yandi-specific economic framework. All financial figures are illustrative scenario modelling, not forecasts or investment promises.

Executive Summary

The Australian medicinal cannabis market is consolidating around a relatively small number of business models. Little Green Pharma and the proposed Cannatrek combination represent vertically integrated pharmaceutical-scale operators. Biortica and Green Farmers represent private glasshouse cultivation with a strong genetics and integration thesis. MedTEC appears positioned primarily around starting materials and specialist B2B inputs. ECS Botanics remains the clearest Australian example of scaled sun-grown and protected-cropping medicinal cannabis.

For Yandi AG, however, the strategic conclusion is larger than a conventional competitor comparison. The market gap is not simply another cultivator. The gap is a **regional operating model** that connects existing agricultural land, irrigation, growers and contracting capacity to secure post-harvest systems, quality governance, pharmaceutical processing and export markets.

The Yandi thesis can therefore be expressed as a shift from the **facility model** to the **precinct model**. Rather than requiring one company to own every acre and every stage of production, the Regional Medicinal Cultivation Precinct would seek to coordinate licensed production, Growing Partners, shared infrastructure, compliance, traceability and market access across a defined agricultural region.

Under the illustrative base case used in this paper, a 50-acre demonstration could represent approximately $3.25 million in annual crop value; a 500-acre commercial phase approximately $32.5 million; and a 5,000-acre regional production system approximately $325 million. These are scenario outputs only and depend on agronomy, saleable yield, product grade, contracted price, regulatory approvals and market demand.

1. The Central Market Finding

Model One - Controlled-environment pharmaceutical cultivation

Represented by companies such as Little Green Pharma and, in a different form, Biortica. These businesses seek consistency through infrastructure: indoor rooms, glasshouses, controlled environments, intensive climate management and vertically integrated manufacturing.

Primary advantage: environmental control and standardisation.
Primary disadvantage: high capital and operating intensity.

Model Two - Low-cost integrated outdoor production

ECS Botanics is presently the clearest Australian example. Its strategic proposition is agricultural: use sunlight, soil and climate to reduce the biological cost of cannabinoid production, then place pharmaceutical controls around cultivation, processing, quality systems and manufacturing.

ECS is the closest existing Australian analogue to part of the Yandi vision, but an important distinction remains: ECS is essentially a vertically integrated company operating from its own production base. Yandi proposes a potentially broader structure - a vertically coordinated agricultural production system distributed across a region.

Model Three - The Yandi regional cultivation platform

The proposed Yandi model separates four functions that Australian cannabis companies have often attempted to own simultaneously:

Agricultural production - licensed cultivation sites and Growing Partners.
Regulatory and crop governance - cultivation standards, genetics, traceability, security and anti-diversion systems.
Regional infrastructure - secure receival, drying, processing, storage, testing and aggregation.
Market access - Australian pharmaceutical manufacturers, sponsors and international GMP supply chains.

> **Yandi therefore does not necessarily need to become another cannabis grower. It can seek to become the operating system connecting regulated medicinal agriculture**

with pharmaceutical markets.

2. The Economic Problem with the Existing Australian Model

Australia has world-class agricultural capabilities, yet medicinal cannabis has largely been treated as a specialised pharmaceutical facility business rather than as a regulated agricultural commodity.

A conventional vertically integrated operator may need to finance land, buildings, glasshouses, HVAC, lighting, irrigation, energy, security, cultivation teams, harvest infrastructure, drying, processing, laboratories, GMP manufacturing, warehousing, compliance, product development, distribution and branding.

The Yandi thesis asks a different question: **What happens when Australia applies its competitive advantage in agriculture before applying its competitive advantage in pharmaceutical manufacturing?**

The Northern Irrigation Scheme already contains many assets that conventional medicinal cannabis projects must otherwise recreate: irrigated land, experienced growers, water delivery systems, agricultural contractors, machinery, transport capability and farming communities accustomed to commercial crop production.

The investment focus can therefore shift toward what is missing: security, compliance, controlled genetics, chain of custody, post-harvest handling, pharmaceutical quality systems and market access.

3. Why ECS Matters to the Yandi Papers

ECS should not be treated purely as a competitor. It can also be interpreted as market validation.

ECS demonstrates that commercial sun-grown medicinal cannabis production is possible in regional Victoria; that outdoor cultivation and pharmaceutical compliance are not inherently incompatible; that an Australian outdoor producer can pursue European markets; and that differentiated genetics and lower-cost agriculture can coexist with pharmaceutical manufacturing.

The strategic question for Yandi therefore becomes not simply whether outdoor medicinal cannabis can work, but whether a single-enterprise capability can be translated into a controlled regional production ecosystem.

4. Competitive White Space

Model	Cultivation	Integration	Scalability	Capital Model	Yandi Interpretation
LGP / Cannatrek	Controlled environment	Very high	Corporate expansion	Capital intensive	Pharmaceutical integration
Biortica	Glasshouse	Very high	Facility replication	Capital intensive	Genetics + cultivation platform
MedTEC	Protected / input supply	Specialist	B2B scalable	Moderate	Starting-material niche
ECS	Outdoor / PCE	High	Land + facility expansion	Agricultural-industrial	Validates outdoor production
Yandi proposed	Outdoor + protected where required	Vertical	Regional grower expansion	Distributed agricultural capital	Cultivation platform

The resulting white space is clear: **no major Australian operator has yet established the equivalent of a medicinal-cannabis contract-farming district operating through shared pharmaceutical infrastructure.** That is the strategic territory the proposed Regional Medicinal Cultivation Precinct seeks to occupy.

5. Yandi AG Three-Year Economic Model

The modelling follows the established Yandi progression: Year 1 - 50-acre demonstration; Year 2 - 500-acre commercial validation; Year 3 - 5,000-acre regional production capacity.

The figures below are **illustrative scenario modelling**. They test the economics of the precinct concept and should not be represented as guaranteed revenue, yield or investor forecasts.

Scenario	Gross value / acre	Direct crop + primary handling / acre	Contribution / acre
Conservative	$40,000	$28,000	$12,000
Yandi Base Case	$65,000	$32,000	$33,000
High-value	$100,000	$40,000	$60,000

The model deliberately uses blended crop economics rather than assuming every kilogram becomes premium finished flower. Potential value streams could include premium flower, manufacturing flower, extraction biomass, minor-cannabinoid feedstock, research material, and genetics or propagation material where legally and commercially appropriate.

> **The objective should be to maximise value per cultivated hectare, not merely kilograms of harvested biomass.**

6. Fifty-Acre Demonstration - Year One

50 acres	Conservative	Base	High-value
Gross crop value	$2.0m	$3.25m	$5.0m
Direct crop costs	$1.4m	$1.6m	$2.0m
Contribution	$0.6m	$1.65m	$3.0m

Year One should be treated primarily as a validation programme. The objective is to prove cultivar performance, cannabinoid consistency, microbial compliance, pharmaceutical acceptance, security, chain of custody, harvest logistics, drying, batch segregation, water use, labour demand and cost per saleable kilogram.

The 50-acre trial therefore creates something more valuable than a single crop: **the data set required to justify and finance subsequent scale.**

7. Five-Hundred-Acre Commercialisation - Year Two

500 acres	Conservative	Base	High-value
Gross crop value	$20m	$32.5m	$50m
Direct crop costs	$14m	$16m	$20m
Contribution	$6m	$16.5m	$30m

At 500 acres the concept begins to move from crop demonstration to industry formation. This scale could justify dedicated secure receival, commercial drying, environmentally controlled storage, batch segregation, quality-control sampling, processing capacity, waste destruction systems and transfer into GMP manufacturing.

The economic advantage begins to arise from **shared infrastructure**. Rather than many independent growers duplicating the same capital-intensive systems, a region develops a controlled pharmaceutical interface.

8. Five-Thousand-Acre Regional Capacity - Year Three

5,000 acres	Conservative	Base	High-value
Gross crop value	$200m	$325m	$500m
Direct crop costs	$140m	$160m	$200m
Contribution	$60m	$165m	$300m

This is not a prediction that Yandi AG will generate $325 million in Year Three. It demonstrates that, under the base-case assumptions, 5,000 acres of contracted medicinal cultivation could represent a regional production economy with approximately $325 million in gross crop value.

That is why the Yandi proposal should be framed as **regional economic infrastructure**, not merely as another cannabis cultivation project.

9. A Better Yandi Revenue Model

The entire regional crop value should not be treated as Yandi AG corporate revenue. Under the Growing Partners model, value would be distributed across growers, processors, manufacturers, contractors, logistics providers, laboratories and other participants.

Illustrative Yandi participation layer	Assumed equivalent share of crop value	5,000-acre base-case value
Cultivation platform fee	5%	$16.25m
Genetics and propagation	2%	$6.5m
Post-harvest processing and storage	8%	$26.0m
Quality, traceability and compliance services	2%	$6.5m
Market aggregation / offtake margin	5%	$16.25m
Illustrative Yandi-addressable revenue pool	22%	$71.5m

This model is deliberately illustrative. Its purpose is to show how Yandi could participate economically without owning every acre or absorbing every production cost.

> **Yandi grows the industry by enabling farmers rather than replacing them.**

10. Illustrative Base-Case Value Distribution

Participant	Illustrative value
Growing Partners and primary cultivation	$195.0m
Yandi platform / infrastructure / service ecosystem	$71.5m
Third-party pharmaceutical manufacturing, logistics and specialist services	$58.5m
Total regional value chain	$325.0m

A vertically integrated corporate grower internalises most of the value. A regional cultivation precinct distributes value through farmer income, regional employment, contracting, construction, scientific services, laboratories,

transport, processing, manufacturing and exports.

> **This is the difference between approving a facility and enabling an industry.**

11. The $50,000-Per-Acre Question

The proposition that a medicinal cannabinoid crop could generate approximately $50,000 per cultivated acre is not inherently unreasonable as a scenario assumption. The error would be to present such a figure as a guaranteed commodity price or universal farm outcome.

A more defensible Yandi formulation is:

> **The economic objective of the Yandi cultivation system is to develop medicinal crop rotations capable of generating gross agricultural output materially above conventional broadacre cropping, with an initial modelling range of approximately $40,000-$100,000 per cultivated acre depending upon cultivar, cannabinoid profile, pharmaceutical-grade acceptance, end market and product utilisation.**

That places the $50,000-per-acre objective inside a testable modelling range rather than treating it as a promise.

12. Vertical Integration Without Vertical Ownership

LGP, Cannatrek and Biortica seek vertical integration principally through ownership. Yandi can pursue vertical integration through coordination.

Farmer / Growing Partner
Yandi cultivation protocol
Secure regional collection
Testing and grading
Processing
GMP manufacture
Sponsor / pharmaceutical customer
Australian and export markets

Yandi does not necessarily have to own every link in the chain. It needs to ensure that every link is connected, compliant and commercially aligned.

13. Indicative CAPEX Implications

Phase	Indicative infrastructure envelope	Strategic purpose
Phase I - 50 acres	$8m-$15m	Validation infrastructure, security, drying, storage, initial processing, compliance systems
Phase II - 500 acres	Cumulative $20m-$40m	Industrial post-harvest handling, controlled storage, segregation, processing capacity an
Phase III - 5,000 acres	Cumulative $50m-$100m+	Regional network infrastructure; highly dependent on whether GMP manufacturing is ow

The key capital question is not 'How much does it cost to build a 5,000-acre cannabis farm?' It is: **What central infrastructure is required to enable 5,000 acres of existing agricultural land to enter a regulated pharmaceutical supply chain?**

14. Strategic Logic of Partnership

The analysis strengthens the case for treating ECS Botanics as potentially as interesting a partner as a competitor. ECS brings outdoor cultivation experience and established pharmaceutical-market infrastructure. Yandi brings a regional-scale thesis, agricultural network potential and a precinct-based model.

A partnership could theoretically involve agronomy trials, contract production, genetics evaluation, offtake, shared processing, EU supply, GMP manufacturing interfaces, technology licensing or supplementary Growing Partner capacity.

The economic model therefore should not assume Yandi must replicate every capability already present within the region or wider Victorian industry. Where compliant infrastructure exists, partnership may produce superior capital efficiency.

15. Regulatory Economics

One of the strongest economic arguments for the precinct model is the cost and complexity of regulated market entry. Requiring every participating farmer to become a fully independent, vertically integrated medicinal cannabis enterprise would duplicate licensing, security, infrastructure and compliance costs.

The Yandi policy response is therefore to **centralise complexity while distributing cultivation** - subject always to the requirements of the Narcotic Drugs Act, applicable licences, permits and regulatory approvals.

This suggests a staged strategic pathway in which Yandi could initially focus on becoming a specialist producer and aggregator of traceable pharmaceutical cannabis starting materials, while progressively building or partnering for downstream GMP manufacturing capacity.

16. Core Conclusion for the Yandi Papers

> **The Australian medicinal cannabis industry has successfully demonstrated that cannabis can be cultivated, manufactured and supplied as a pharmaceutical product. Its next challenge is economic.**

The first generation of the industry was built around individual licensed facilities. The next generation may be built around regions.

Northern Victoria possesses land, sunlight, irrigation, agricultural expertise and an established farming community. What it lacks is the regulated infrastructure connecting those assets to pharmaceutical markets.

The Yandi AG proposal seeks to build that missing layer.

Rather than constructing another isolated cannabis facility, the Regional Medicinal Cultivation Precinct proposes a shared agricultural-pharmaceutical platform through which licensed cultivation, Growing Partners, secure post-harvest infrastructure, traceability, processing and compliant market access can operate as one coordinated system.

> **At 50 acres, the concept is a trial. At 500 acres, it becomes an industry. At 5,000 acres, it has the potential to become a new regional agricultural economy.**

The economic question confronting government is therefore larger than whether Australia should permit another medicinal cannabis cultivator. It is whether a nation that already exports pharmaceutical crops, agricultural commodities and high-value medicines can create a regulatory architecture capable of combining all three.

That is the opportunity presented by the Yandi model.

Final Strategic Position

The fundamental comparison is no longer Yandi versus ECS versus LGP versus Biortica.

It is Facility Model versus Precinct Model.

ECS demonstrated that outdoor pharmaceutical cannabis can work in regional Victoria. Yandi proposes to determine whether that capability can be transformed from a single-company advantage into a regional agricultural advantage.

This framework creates a direct bridge between the Green Paper, Growing Partners, the Regional Medicinal Cultivation Precinct, the 50 -> 500 -> 5,000 acre scaling model and the EU-GMP gap analysis.

Yandi is not simply asking for permission to grow cannabis. It is asking Victoria and the Commonwealth to examine whether an entirely new class of high-value regulated agriculture can be built around existing irrigation communities.

Notes on Interpretation

All monetary amounts are Australian dollars unless otherwise stated. Scenario values are illustrative and are not audited forecasts, investment advice, guaranteed returns or representations of regulatory approval. Actual outcomes would depend on licensed activities, cultivar performance, climatic conditions, disease pressure, saleable yield, product grade, pharmaceutical acceptance, post-harvest losses, contracted pricing, market access, security, compliance and the commercial structure adopted by Yandi AG and its partners.

Source basis: YandiOS Research competitor analysis dated 5 July 2026, company and public-market information referenced in the underlying research, and subsequent strategic modelling prepared for the Yandi Papers.