

NZ crop tech firm eyes ASX listing

Andrew Marshall 19 Sep 2016



CropLogic sensing technology has been commercialised in US potato crops and will soon be trialled in broadacre wheat and cotton in Australia.

A young New Zealand farm technology company, with special skills in monitoring and modelling crop moisture, temperature and nutrient needs is preparing to list on the Australian Securities Exchange (ASX).

CropLogic's yield forecasting and crop monitoring work has primarily focused on horticulture, particularly potatoes, but it has just signed an agreement with the NZ technology developers and patent holders to start trials to wheat, corn, soybean and cotton crops.

The company collects field sensor data from permanent probe sites positioned 25 hectares apart on client farms, combining that information with climate data, the crop's age details and aerial images.

The data is processed automatically via technology systems used in the automotive and aerospace industries to deliver optimised, daily input prescription information back to growers and their agronomists.

“We’re reducing the time agronomists spend tramping around in the field,” said CropLogic being chief executive officer, Jamie Cairns.

“We provide information on water usage and fertiliser needs so they can use their time effectively to make better management decisions predicting the crop’s future requirements.”



The CropLogic system greatly reduces labour and travel costs allowing consultants to provide a broader range of advice for which growers will pay a premium, says chief executive officer, Jamie Cairns.

Much of the company’s recent work has been in the US where 500ha of potatoes in Idaho returned a 90 per cent profit increase after more judicious water applications lifted yields 6.25pc.

“Aligning water and fertiliser needs with the requirements of the plant means we’re not just preventing over-watering, but also delivering what the plant needs when it’s needed,” Mr Cairns said.

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CropLogic has an exclusive global licence for its potato software and a preferential option agreement for tomatoes, maize and onions.

The business began in 2010 as an investment startup commercialising 30 years of intellectual property developed by Plant and Food Research institute (NZ's CSIRO equivalent).

It now has a market capitalisation of \$10.4 million.

Much of the past six years was spent trialling the technology in different environments in NZ's Canterbury region, the US, China and more recently in Tasmania.

Successful potato crop trials have been completed with food processors, Lamb Weston, Simplot, PepsiCo and french fry giant, McCains Foods, leading to its commercial adoption in the industry.

With broadacre grain crops now on its radar, too, CropLogic last month raised about \$520,000 from syndicate investors through online crowdfunding platform, Equitise.

These funds will help launch an initial public offering on the ASX by March next year.

The company, which already has about \$4.6m in NZ investor funds, is now promoting its plans in Australia, raising seed capital from agribusiness and technology sector investors.

"I'm fairly conservative about our expectations, but the response from brokers and the investor sector has been extremely positive," Mr Cairns said.

CropLogic is chaired by former Brierley Investments chairman, John Beattie.

It was one of seven startups to win emerging business backing from NZ's acclaimed government technology investment body, Callaghan Innovation, last year.

The \$NZ450,000 Callaghan grant was used to develop aerial imaging technology, with the funds to be repaid gradually as the company makes sales.

While keen to build traction in Australian agriculture, CropLogic has big hopes for its initial US target market - irrigation holdings with crop areas of 500ha-plus.

That category covers about 15m hectares of potential horticulture and broadacre crops, which equates to potential revenue of \$US1 billion annually, from service fees of \$US86/ha.

<http://www.theland.com.au/story/4171064/nz-crop-tech-firm-eyes-asx-listing/>